



Food and
Nutrition
Service

DATE: February 6, 2024

Braddock
Place

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1320
Braddock
Place
Alexandria
VA 22302

SUBJECT: Community Eligibility Provision: State Agency Procedures to Ensure Identified Student Percentage Accuracy

TO: Regional Directors
Special Nutrition Programs
All Regions

State Directors
Child Nutrition Programs
All States

Purpose

The purpose of this memorandum is to update prior guidance to reflect changes made to the Community Eligibility Provision (CEP) due to the Food and Nutrition Service's (FNS) Final Rule, [Child Nutrition Programs: Community Eligibility Provision – Increasing Options for Schools](#) (FR 65778), effective on October 26, 2023. This final rule amended CEP regulations by lowering the minimum identified student percentage (ISP) to elect CEP from 40 percent to 25 percent.

This memorandum rescinds and replaces SP 15-2016, *Community Eligibility Provision: State Agency Procedures to Ensure Identified Student Percentage Accuracy*, dated November 30, 2015. Updates made to this memorandum are limited to revising references to the minimum ISP; no other substantive changes have been made.

This memorandum provides the steps State agencies must take to determine the accuracy of a local educational agency's (LEA) ISP(s) at the time CEP is elected in order to prevent incorrect ISP calculations. This guidance is intended to avoid situations in which a State agency finds that an ISP is incorrect during an Administrative Review and has to assess fiscal action and retroactively adjust claims for reimbursement.

State Agency Review of Election Documentation

CEP enables participating schools in high poverty areas to offer meals at no cost to all enrolled students without collecting household applications. Schools, groups of schools, or entire school districts participating in CEP receive Federal reimbursement for meals based on claiming percentages derived from ISPs.

As part of the CEP election process, State agencies are responsible for ensuring that LEAs seeking to adopt CEP meet all participation requirements. This process includes confirming that the ISP(s) to be employed by the LEA as the basis for reimbursement claims are accurately calculated.

When an LEA elects CEP, a State agency must, at a minimum, review documentation to evaluate whether or not the school, group of schools, or LEA:

- Meets the minimum ISP of at least 25 percent;
- Participates (or plans to participate) in both the National School Lunch Program and School Breakfast Program; and
- Has a record of administering the Programs in accordance with Program regulations (as indicated by the most recent Administrative Review).

Electing LEA is an LEA-level decision. If the State agency determines that the LEA has met the above requirements, the LEA may elect CEP (7 CFR 245.9(f)(4)(ii)).

Determining Accuracy of the ISP

To determine if an ISP is accurate, State agencies must examine documentation submitted by the LEA to substantiate the number of identified students (numerator of the ISP), and the number of enrolled students (denominator of ISP). Such documentation includes Point of Service or Student Information System reports, direct certification lists and/or other lists certifying that students are categorically eligible for free school meals, such as lists of students who are designated as homeless or migrant. Using Point of Service or Student Information System reports should provide the most accurate and timely information. If documentation is submitted for the entire LEA or multiple schools that will operate as a single group, the review of documentation is conducted for the entire district or group that makes up the ISP.

For ISP reviews, State agencies have the option to use the guidance in this memo or to follow the process provided in the Administrative Review Manual (Section IX, Special Provision Options, Community Eligibility Provision Module, On-Site Review Activities, step 2).

For State agencies verifying ISPs outside of the Administrative Review process, FNS has developed two optional worksheets, attached to this memorandum, to help State agencies and LEAs ensure an ISP is accurate: (1) a checklist to help State agencies review source documentation, and (2) an ISP calculation worksheet that LEAs can use to calculate the ISP and submit to State agencies with appropriate documentation.

Provided that all Certification and Benefit Issuance Review requirements outlined in the Administrative Review Manual are met, the results of the ISP documentation review may be counted toward that portion of the following Administrative Review. ISP reviews may only be relied upon during an Administrative Review if the same ISP data originally reviewed is still being used by the LEA as the basis for claiming.

State agencies must still complete the other components of the Administrative Review process, including verifying that claiming percentages are properly applied to claims from the review period and month of the on-site review.

LEAs/schools must maintain documentation used to develop the ISP for the entire time while operating under CEP, and for three years after submission of the final Claim for Reimbursement for the last fiscal year of CEP. Source documentation includes direct certification lists and/or other lists certifying that students are categorically eligible for free school meals, such as lists of students who are designated as homeless or migrant.

CEP Resources

FNS strives to ensure that all eligible LEAs have the resources necessary to make informed decisions about CEP participation. In addition to the attached worksheets, the CEP Estimator tool is designed to help LEAs assess financial viability. Careful financial assessment combined with a thorough review of ISP documentation when an LEA seeks to elect CEP or update its ISP(s) mitigates the risk of future administrative findings and/or fiscal action if a problem is discovered during a later Administrative Review or Management Evaluation.

FNS further encourages LEAs considering CEP to review the resources available on the CEP Resource Center website ([Community Eligibility Provision Resource Center | Food and Nutrition Service \(usda.gov\)](https://www.usda.gov/foodandnutritionservice)).

State agencies are reminded to distribute this memorandum and attachments to Program operators immediately. LEAs should direct any questions concerning this guidance to their State agency. State agencies with questions should contact the appropriate FNS Regional Office.

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Hopwood

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