

Community Nutrition Programs

Child and Adult Care Food Program (CACFP)

[Guidance Memorandums](#) [CACFP Webcast Trainings](#) [Translated Documents](#)

Applies To: Group Child Care Centers and Outside of School Hours Centers
Independent Centers and Sponsoring Organizations

Revision Date: July 2016

Purpose:

Guidance Memorandum 1C details the CACFP requirements pertaining to Household Size-Income Statements and determining eligibility enrolled participants. It includes instructions and forms to use for meeting these requirements. Additional resources are referenced to access more detail in specific areas if needed. Webcast trainings and complimentary handouts are also referenced for further review of the requirements.

Required Documents and Forms:

- [Household Size-Income Statement Form \(HSIS\) \(7/16\)](#)
- [The Parent Letter](#)
- [Household Size-Income Scale \(July 1, 2016 - June 30, 2017\)](#)
- [Excel Version of Household Size-Income Record](#)
- [Word Version of the Household Size-Income Record](#)

Resources:

- [USDA's Eligibility Manual for School Meals](#)
- [CACFP Pricing Program Addendum](#)
- [Instructions for Determining Household Size-Income Statements: A Step-by-Step Guide](#)
- [Making HSIS Determinations: Instructions for Using the Parent/Guardian Signature Date](#)
- [Household Size-Income Record Reminders](#)
- [Electronic Storage of CACFP Records and Data - Policies and Procedures](#)
- Webcasts:
 - [Household Size-Income Statements](#)
 - [Household Size Income Record](#)

Overview:

The *Household Size-Income Statement (HSIS)* collects household size and income level information from the families of children enrolled at agencies participating in the CACFP. This information is required for determining the reimbursement rate the agency will receive for meals served. The three USDA reimbursement rates per meal are assigned to terms that represent each reimbursement amount. From the highest to the lowest rate, these terms are: Free; Reduced; and Non-need.

Group Child Care centers and Outside of School Hours centers must distribute, collect, and determine/approve the HSIS forms completed by the households of each enrolled child on annual basis. Free and Reduced eligibility determinations can only be based on completed HSIS, with few exceptions. The HSIS eligibility determinations for all enrolled children are then compiled and reported on the monthly *CACFP Reimbursement Claim*.

- Refer to [Guidance Memorandum 2 - CACFP Reimbursement](#) for further information on the eligibility categories (Free, Reduced, and Non-needy) and their associated reimbursement rates as well as the calculation process of the *CACFP Reimbursement Claim*.
- Refer to [Guidance Memorandum 3C - Claims Submission and Processing](#) for further instruction on compiling and submitting monthly reimbursement claims.

Agencies must distribute the most current HSIS form and accompanying *Parent Letter* to the parents/guardians of all enrolled children without discrimination. Both documents are revised in July of each year.

At-Risk Afterschool Programs, Emergency Shelters, and Head Start Sites:

These sites are not required to use the HSIS to receive the Free rate of reimbursement for all meals claimed. Refer section I of this guidance memo for further information on the required enrollment documentation for the children/youths enrolled or attending Head Start sites and section M for At-Risk Afterschool Programs and Emergency Shelters.

NonPricing Versus Pricing Programs:

- **NonPricing Programs** are centers that do not charge separate fees for providing meals.
- **Pricing Programs** are centers that charge separate fees for providing meals. These centers must annually complete and adhere to the requirements stated in the *CACFP Pricing Program Addendum*. Agencies approved to participate as a Pricing Program must use the required documents that are provided within the *Pricing Program Addendum - Determining Eligibility for Free and Reduced Price Meals for Pricing Programs*, including the Pricing Program *Parent Letter* and HSIS form.

[CACFP Pricing Program Addendum](#)

Unless a completed and current *CACFP Pricing Program Addendum* is approved by DPI, agencies participating in the CACFP must not charge families separately for meals.

[USDA's Eligibility Manual for School Meals](#): Please refer to this manual for further information on any of the areas covered within this guidance memorandum.

A. The Importance of Valid Household Size-Income Statements

[Household Size-Income Statement Form \(HSIS\) \(7/16\)](#)

[Webcast on Household Size-Income Statements](#)

[Instructions for Determining Household Size-Income Statements: A Step-by-Step Guide](#)

Agencies are required to have on file current, complete, correctly determined and approved HSIS for each enrolled child who is counted in the Free and Reduced categories. One HSIS can be collected per household for all children living within that household; a separate HSIS form does not have to be completed for each child within the household.

- **A valid HSIS means that the HSIS is current and has been fully completed by the parent/guardian and is then properly approved by the agency. (As specified sections F and G in this guidance memorandum)**

Guidance Memorandum 1C: CACFP Requirements for Household Size-Income Statements & Determining Eligibility

A child who does not have valid HSIS on file must be counted as Non-needy. A HSIS is invalid when:

- An adult household member refuses to complete a HSIS or fails to return it to the agency.
- The HSIS is missing any required information as specified within this guidance memorandum.
- The HSIS has expired (it is past the last day of the 13 month validity period).

Confidentiality:

In accordance with disclosure protection requirements, all collected information on the HSIS must remain confidential and the HSIS forms must be retained in a location that provides a safeguard of confidentiality.

B. The Parent Letter

[The Parent Letter](#)

The *Parent Letter* explains the purpose of the HSIS form and lists the required information that the parents/guardians must provide on this form, if they choose to do so. It provides the income eligibility guidelines which include both the Free and Reduced levels of income.

All parents/guardians of the enrolled children must be given the *Parent Letter* with the HSIS. The letter to use for Non-Pricing Programs is included in this memorandum.

Parents are not required to complete the HSIS and return it to the agency; this is voluntary.

However, agencies may encourage parents/guardians to return the HSIS by writing “N/A” across the form even if their household isn’t eligible as Free or Reduced. If their household does not receive any of the qualifying benefits and the total household income exceeds the income eligibility guidelines, the household’s eligibility category is Non-needy regardless whether they return the HSIS form to your agency.

C. Determining and Approving Household Size-Income Statements

Once the parent/guardian has returned a completed HSIS, the agency must determine and approve the HSIS by fully completing the *For Center Use Only* portion on the bottom of the form. Agencies must designate a “Determining Official” or “DO” who is responsible for reviewing, determining and approving all HSIS. The DO must keep all information collected on the HSIS as confidential.

To determine the eligibility category and approve the HSIS, the DO must fully complete all three sections of the bottom portion of the HSIS (*For Center Use Only*):

- **Section 1:** the *Basis for Determining Eligibility* (A. household size and income or B. participation in a benefits program);
- **Section 2:** the *Eligibility Determination* (Free, Reduced or Non-needy); and
- **Section 3:** the *Determining Official’s Initials and Approval Date* and the *Effective Month of the Determination*

D. Effective Month of HSIS Determinations

1. Methods

The effective month of the Free or Reduced status of each child may be established by one of two methods described below, in “a” or “b”. Each agency must choose the method it will use to establish the effective month of ALL complete HSIS. The chosen method must be selected within the online CACFP contract that is then approved by the Wisconsin Department of Public Instruction (DPI).

Guidance Memorandum 1C: CACFP Requirements for Household Size-Income Statements & Determining Eligibility

This method must be consistently applied to all HSIS determinations for the entire Federal Fiscal Year (FFY) (October 1 – September 30). If it is found that an agency is not consistently applying the chosen method to all HSIS for the entire FFY during a review by DPI, it will result in fiscal action or claim adjustments.

a. Approval Date by Agency’s DO:

If the agency chooses to base the *Effective Month of Determination* on the DO’s approval date, the *Effective Month of Determination* is the month/year of the date written in Section 3, the *Determining Official’s Initials & Approval Date*, of the *For Center Use Only* box on the HSIS.

b. The Parent/Guardian Signature Date:

If the agency chooses to base the *Effective Month of Determination* on the Parent/Guardian Signature Date, the *Effective Month of Determination* is the month/year of the date written in the *Signature Date* box next to the household member’s signature on the HSIS.

→ **The exception to this rule:** If the Parent/Guardian Signature Date is not within the same month of the DO’s Approval Date or the month immediately preceding the DO’s Approval Date, the *Effective Month of Determination* must be the month/year of the DO’s Approval Date (choice “a” illustrated below). It cannot be the month/year as shown in the *Signature Date* box next to the household member’s signature.

The *Effective Month of Determination* for an incomplete HSIS must be based on the unchanged parent signature date (if the parent chooses not to update it) or the updated parent signature date (if updated by the parent); the same rule as stated above applies to the unchanged or updated parent signature date.

[Making HSIS Determinations: Instructions for Using the Parent/Guardian Signature Date](#); this resource provides an excellent illustration of how this rule applies.

The image below illustrates the choices, “a” and “b”, for the *Effective Month* method.

The Bottom of Form

Signature of Adult Household Member		Signature Date Mo./Day/Yr. b	Last 4 digits of SS# (or check “None” if you do not have a SS#) ***_**_ ____ <input type="checkbox"/> None
<i>FOR CENTER USE ONLY – All 3 sections and the Effective Month of Determination must be completed</i>			
Section 1: Basis of Determining Eligibility (A or B)		Section 2: Eligibility Determination	Section 3: Determining Official’s Initials & Approval Date
A. Household Size & Income Total Household Size _____ * Total Income \$ _____ / _____ <small>(Amount) (Time Period)</small>		<input type="checkbox"/> Free <input type="checkbox"/> Reduced <input type="checkbox"/> Non-Needy	a _____ **Effective Month of Determination _____ Month/Year
B. Benefits/Foster <input type="checkbox"/> FoodShare WI <input type="checkbox"/> W-2 Cash Benefits <input type="checkbox"/> FDPIR <input type="checkbox"/> Foster Child(ren)			

2. The Effective Month of Determination

Depending on the chosen method of “a” or “b” described above, the DO must write in that respective month/year within the *Effective Month of the Determination* box.

Free or Reduced eligibility determinations are effective the first of the month of the *Effective Month of the Determination*.

3. Incomplete HSIS

If a collected HSIS is incomplete because of missing any of the required information, as specified in sections F and G, the child's eligibility status must remain as Non-needy until all of the required information is properly documented on the HSIS. Once all of the required information is properly documented on the HSIS, the DO must determine and approve the HSIS.

a. **Effective Month of Determination for Incomplete HSIS:**

→ **If your agency has selected using the DO's Approval Date for the *Effective Month of the Determination*:**

The *Effective Month of the Determination* of a child's Free or Reduced status must be the month/year of the Approval Date written by the DO (method "a").

→ **If your agency has selected using the Parent/Guardian Signature Date for the *Effective Month of the Determination*:**

The Parent/Guardian Signature Date only can be used for the *Effective Month of the Determination* if the unchanged or updated Parent Signature Date is in the same month or immediately preceding month as the Approval Date by the DO. If the unchanged or updated Parent/Guardian Signature Date is earlier than the month immediately preceding the Approval Date, then method "a", or the DO's Approval Date must be used for the *Effective Month of the Determination*.

b. **Making Proper Alterations:**

The HSIS is a legal document and must be treated as such. Agencies must make all attempts to have the parents/guardians fully complete the HSIS by providing all required information, as specified in this guidance memorandum. However, if the parents/guardians return incomplete forms, the agency's DO or designated staff who fully understand the confidentiality requirements may obtain the required information through other methods, with the exception of the Parent/Guardian Signature and Parent/Guardian Signature Date.

These acceptable methods are by phone, text, or email from the parent/guardian. **If the required information is obtained by the agency, the following three pieces of information must be documented next to the acquired information on the HSIS form:**

- **The agency staff's initials;**
- **The date the information was added to the HSIS; and**
- **The source of information** (i.e. per John by email)

E. Duration of HSIS Determinations

HSIS are valid starting from the first of the month written in the *Effective Month of the Determination* through the last day of that month a year later (see section D above for the allowed methods for establishing the effective month); thus, the duration of HSIS determinations are for a thirteen month period.

Examples:

- **If the *Effective Month of Determination* is the month (and year) of the DO's Approval Date (method "a"):**

DO's Approval Date: May 12, 2015

Effective Month of Determination: May, 2015

Validity Period of Eligibility: May 1, 2015 through May 31, 2016

Guidance Memorandum 1C: CACFP Requirements for Household Size-Income Statements & Determining Eligibility

- If the **Effective Month of Determination** is the month (and year) of the Parent/Guardian Signature Date (method “b”):
Parent/Guardian Signature Date: April 30, 2015
Effective Month of Determination: April, 2015
Validity Period of Eligibility: April 1, 2015 through April 30, 2016

Once the HSIS has expired (*it is past the last day of the last month of the validity period*), the HSIS is no longer valid and the child(ren) must be counted as Non-Needy until a new HSIS is completed by the household, submitted to the agency, and properly determined and approved by the Determining Official (DO).

F. Determining Eligibility by Participation in a Benefits Program

1. Benefits Programs:

A child is automatically eligible as Free when the child’s household participates in one or more of the following three benefit programs if the child’s household provides the case number for at least one benefit within Part 1 on the HSIS, completes Part 3 (*the Ethnicity and Race Data Collection section is optional*), and then the DO properly approves it (as specified in section F2 below).

a. Supplemental Nutrition Assistance Program (SNAP) (FoodShare Wisconsin)

- The case number must be 10 digits or it must be 16 digit Quest card number.

b. Wisconsin Works (W-2) Cash Benefits → are paid placement programs that do not include Wisconsin Shares Child Care Assistance

i. Eligible Wisconsin Works (W-2) Cash Benefits programs are:

- Community Service Job (CSJ)
- Caretaker of an Infant (CMC)
- At Risk Pregnancy (ARP)
- W-2 Transition (W-2 T)

ii. Wisconsin Works (W-2) Cash Benefits case numbers are 10 digits long.

c. Food Distribution Program on Indian Reservations (FDPIR)

- The case number must be an adult household member’s Social Security number.

2. A Complete/Valid HSIS based on Participation in a Benefits Program → Requires the following five points (a-e) of information:

- a. The full name(s) of the enrolled child(ren) [7 CFR Part 226.23(e)(1)(iv)(A)];
- b. The appropriate SNAP (FoodShare Wisconsin), W-2 Cash Benefits, or FDPIR case number [7 CFR Part 226.23(e)(1)(iv)(A)];
- c. The signature of an adult household member [7 CFR Part 226.23(e)(1)(iv)(B)];
- d. The signature date by the adult household member [7 CFR Part 226.23(f)]; **and**
- e. The Completed *For Center Use Only* portion by the DO → **All 3 sections including the *Effective Month of the Determination* box.**

3. Extended Benefits Program Eligibility

If a child receives FoodShare Wisconsin, FDPIR, or W-2 Cash Benefits, (s)he may be claimed as Free regardless of where he/she is residing (i.e. if the child moves to another household). That child's Free eligibility extends to other children residing in the household as well; meaning all children in that household are also be Free. Children with this extended Free eligibility retain their Free status when moving to a different household for the duration of their current HSIS determination.

→ However, children with Free eligibility status attained from their previous household who then move cannot extend this Free eligibility to the household members in their new household. The agency must record these children's extended eligibility status within the new household's eligibility documentation by clearly indicating that their eligibility status does not extend to any household members within the new household.

G. Determining Eligibility by Household Size and Income

[Household Size-Income Scale \(July 1, 2016 - June 30, 2017\)](#)

A child may be eligible as Free or Reduced depending on the household's size and total income reported on the HSIS if the information specified in section G3 below is provided on the HSIS form.

The household must fully complete Part 2 of the HSIS by listing the full names of all of the household members and all of each household member's current income received, by income source and frequency each income source is received. Then, an adult household member must complete Part 3 (*the Ethnicity and Race Data Collection section is optional*).

To determine the eligibility category (Free, Reduced, or Non-needy) of the enrolled child(ren) within the household, the DO must review the completed HSIS to identify the household size and calculate the total income. Then, (s)he must compare this information to the appropriate Income Eligibility Guidelines (IEGs) provided within the current Household Size-Income Scale (which is part of this guidance memorandum) for making the eligibility determination.

1. Calculating Household Income

Households may have income from different sources which are paid on different schedules. For example, the household may receive paychecks on a weekly basis and child support on a monthly basis. The following points (a and b) explain when conversion of income is required and how conversion is done.

a. No Conversion Required

If there is only one source of income or if all sources are received in the same frequency, no conversion is required.

The agency would just total all sources together. For example, if a household reported receiving a monthly Social Security check and monthly child support, the amounts from these two sources would be added together. Then, compare this total dollar amount to the appropriate IEG on the Household Size-Income Scale for monthly income and the household size.

b. Conversion Required

If there are multiple income sources with more than one frequency, the agency must annualize all income by multiplying:

- Weekly income by 52;
- Bi-weekly income (received every two weeks) by 26;
- Income received twice a month by 24;
- Monthly income by 12

Do not round the dollar amounts resulting from each conversion. Add all of the un-rounded converted dollar amounts together and compare this un-rounded total to the appropriate IEG on the Household Size-Income Scale for annual income and the household size.

→ Agencies *cannot* use conversion factors such as 4.33 to convert weekly income or 2.15 to convert bi-weekly income to monthly amounts.

2. “Zero” or No Income:

Households seldom have “zero” or no income with none of the household members receiving benefits that would qualify the household automatically as Free. However, reporting “zero” or no income on the HSIS can be accepted for determining the household as Free.

A household may report that it currently earns “zero” or no income with no benefits in the following ways:

- a. Listing zero (“\$0”) income for all or some household members reported on the HSIS;
- b. Checking “no income” for all or some household members reported on the HSIS; or
- c. Leaving the income section in Part 2 of the HSIS completely blank. As of July 1, 2015, a blank income section on the HSIS can be accepted as a positive indication of no income and as the household’s certification that there is no household income to report.

All other required pieces of information must be provided by the household within Parts 2 and 3 of the HSIS form for determining the HSIS as Free (*with the Ethnicity and Race Data Collection section being optional*); this required information is as follows:

Full names of all household members; signature of an adult household member along with the signature date; and the last four digits of the signing household member’s social security number or an indication that (s)he does not have one.

→ If the HSIS is missing any of this required information, the HSIS is considered incomplete and the child(ren) must be counted as Non-needy until the household provides this missing information and then the HSIS is properly determined and approved by the DO.

Households submitting HSIS that indicate “zero” or no income and contain all of the other required information must be determined as Free; the Free determination is valid for the 13 month period as specified in section E, *Duration of HSIS Determinations*, above in this guidance memorandum.

**3. A Complete/Valid HSIS based on Household Size and Income →
Requires the following six points (a-f) of information:**

- a. Names of all household members including the name(s) of the enrolled child(ren) [7 CFR Part 226.23(e) (1) (ii) (A) & (B)];
- b. The household income received by each household member identified by source and frequency or an indication of “zero” or no income [7 CFR Part 226.23(e)(1)(ii)(D)];
- c. The last four digits of the social security number of adult household member signing the HSIS or an indication that he/she does not possess a social security number [7 CFR Part 226.23(e)(1)(ii)(C)];
- d. The signature of an adult household member [7 CFR Part 226.23(e) (1) (ii) (G)];
- e. The signature date by the adult household member [7 CFR Part 226.23(f)]; and
- f. The Completed *For Center Use Only* portion by the DO → **All 3 sections including the *Effective Month of the Determination* box.**

4. Definitions and Special Situations Relating to Household Composition, Size, and Income

a. The terms Family and Household:

Family and household are used interchangeably. Program regulations define these as a group of related or unrelated individuals who are not residents of an institution or boarding house, but who are living as one economic unit. Within this definition, the term “household” is generally used for consistency.

b. Economic Unit:

An economic unit generally means a group of related or unrelated people who share all significant income and expenses of its members. Economic units are characterized by the sharing of expenses such as food, housing, medical, and household insurance expenses. More than one economic unit may live in the same house. Separate economic units living in the same house are characterized by prorating of expenses and economic independence from each other.

c. Income that must be reported on the HSIS:

Income that must be reported on the HSIS are gross figures and any funds received on a recurring basis.

→ **Gross income** means money earned before deductions for income taxes, insurance premiums, bonds, garnishment, bankruptcy, etc.

→ **Self-employed individuals** should report net income, which is the gross receipt of income less operating expenses.

→ **Current income** means income received by the household for the current month (the month in which the HSIS is completed) or for the month prior to HSIS completion. If such income does not accurately reflect the household’s annual income, income may be based on the projected annual household income. If the prior year’s income provides an accurate reflection of the household’s current annual income, the prior year may be used as a base for the projected annual income.

Guidance Memorandum 1C: **CACFP Requirements for Household Size-Income Statements & Determining Eligibility**

Regular income that must be reported includes the following:

- Monetary compensation for services, including wages, salary, commission, or fees;
- Net income from nonfarm self-employment;
- Net income from farm self-employment;
- Social security;
- Dividends or interest on savings or bonds, IRA distributions, or income from estates or trusts;
- Net rental income;
- Public assistance or welfare payments;
- Unemployment compensation;
- Government, civilian employee, or military retirement or pensions, or Veterans' payments;
- Private pensions or annuities;
- Alimony or child support payments;
- Regular contributions from persons not living in the household;
- Net royalties; and
- Other cash income such as amounts received or withdrawn from savings, investments, trust accounts or other resources that would be available to pay the price of a child's meal.

d. Income not to be reported

- Any cash income or value of benefits from Federal Programs that must be excluded based on legislative prohibition:
 - Go to the following web link for an all-inclusive and current list of these Federal Programs: [List of Federal Programs Excluded based on Legislative Prohibition](#)
(This list is maintained by the Supplemental Security Income Program)

A few of these Federal Programs are as follows:

- Volunteering to provide services under programs authorized by the Domestic Volunteer Services Act of 1973, including (but not limited to):
 - The Foster Grandparents Program
 - Senior Companions Program
 - Benefits received under the National School Lunch Program and Child Nutrition Acts (CACFP)
- The value of in-kind compensation allowances, such as military base housing or other subsidized housing, medical, and dental services
- Student financial assistance, including grants and scholarships
- Loans (i.e. bank loans)
- Occasional earnings, including occasional (not recurring) payments received for odd jobs (i.e. babysitting, lawn mowing) and lump sum payments (i.e. bonuses)

Guidance Memorandum 1C: CACFP Requirements for Household Size-Income Statements & Determining Eligibility

e. Joint Custody:

When joint custody has been awarded and the child physically changes residence, the child should be considered as part of the household where the mainly child resides.

If the child resides at each household for relatively equal amounts of time and the HSIS determination is different for each household, the household with the higher HSIS determination should be used for reporting the child's eligibility status.

→ For example, if the HSIS determination for the mother's household is Free but the HSIS determination for the father's household is Non-needy, the agency should use the mother's HSIS determination of Free for the child regardless of which parent had custody at the time.

f. Adopted Children:

When a household has accepted legal responsibility of an adopted child, (s)he is considered to be a member of that household. If the household receives any subsidies for the adopted child, the household must list these subsidies as household income.

H. Foster Children

The Healthy, Hunger-Free Kids Act of 2010 (the Act), Public Law 111-296, authorized automatic eligibility for Free status to foster children when **one of the two following documents (1 or 2 below) is obtained by the agency.**

Foster children are defined as children whose care and placement is the responsibility of the State or who are formally placed with a caretaker household by a court or State child welfare agency. The State must have legal custody of the children in order for them to be considered as foster children for purposes of eligibility determination. Children are not considered to be foster children if they reside in a home by informal caretaker or permanent guardianship arrangements that are not legally issued by the State or court based systems. Furthermore, once a child has been permanently placed in a home, the child is no longer considered to be a foster child.

1. Documentation from State or Local Agency

The Act allows a foster child to be claimed as Free without a completed HSIS if the agency obtains documentation from an appropriate State or local agency indicating the status of the child as a foster child whose care and placement is the responsibility of the State or that the foster child has been placed with a caretaker household by a court. If a child has been permanently placed in a home, the child is no longer considered to be a foster child and must be considered as a member of that household.

2. A completed HSIS

Households may choose to submit one completed HSIS which includes both foster children and non-foster children or to submit a separate HSIS for the foster children. The agency may determine the eligibility for the non-foster child(ren) **both** by including the foster child as a household member and not including the foster child as a household member, and then approve whichever determination qualifies the non-foster child(ren) to be eligible at a higher rate of reimbursement.

a. HSIS with Foster Children and Non-foster Children on same HSIS

Households may choose to include their foster child as a household member on the same HSIS that includes their non-foster children if it will qualify their non-foster children for Free or Reduced-price meals based on household size and income.

To determine or approve a HSIS which includes both foster and non-foster children, the agency would certify the foster child for Free meals, and then make an eligibility determination for the non-foster children based on the household's total size and income (refer to section G of this memorandum) or benefits (refer to section F of this memorandum) reported on the HSIS.

i. Within Part 2 of the HSIS, the parents/guardians must:

- ❖ Check the *Foster Child* box within part 2 of the form next to each foster child's name listed as part of their household **and**
- ❖ List the foster child(ren)'s income (if any) and all income received by other household members:

Foster payments received by the family from the placing agency should not be reported. However, any personal income earned by the foster child must be reported on the HSIS as part of the household income. Only the following funds should be reported as income received by the foster child:

- Funds received from a welfare agency that can be identified for personal use of the child. *Funds provided by the welfare agency may be specified by category: i.e. funds for shelter and care; special needs funds; and funds for personal needs such as clothing, school fees, and allowances.* When such funds cannot be identified for personal use of the foster child, no portion of the funds provided by the welfare agency should be reported as income.
- Money received in hand from any source. This includes, but is not limited to, funds received from trust accounts provided by the child's family for personal use, and earnings from employment other than occasional or part-time jobs; i.e., paper routes, babysitting.

ii. Within Part 3 of the HSIS, the parent/guardian must:

- ❖ Write their signature and signature date.
- ❖ The adult household member signing the HSIS must provide the last four digits of his own social security number if the household's non-foster children will qualify as Free or Reduced when including the foster child within their household.

iii. When determining the eligibilities of both the non-foster and foster children on one HSIS form, the agency must:

- ❖ Certify the foster child's automatic Free eligibility status within the *For Center Use Only* portion of the form by checking the *Foster Child* box in Section 1 for the *Basis of Determining Eligibility*. Then, check the "Free" box within Section 2, for the *Eligibility Determination*.

→ **Automatic eligibility for Free meals of foster children cannot be extended to all children in the household similarly to how the receipt of FoodShare Wisconsin, W-2 Cash Benefits, and FDPIR benefits can be extended (refer to section F3 of this memorandum).**

Guidance Memorandum 1C: **CACFP Requirements for Household Size-Income Statements & Determining Eligibility**

- ❖ When making the eligibility determination of the non-foster children based on the household's total size and income (section G of this memorandum) or benefits (section F of this memorandum) reported on the HSIS, the agency may determine the eligibility for the non-foster children both by including the foster child as a household member and not including the foster child as a household member, and then approve whichever way determines the non-foster child(ren) at the highest eligibility rate (*Free, then Reduced, then Non-needy*). If the non-foster children are determined at a lower eligibility rate than Free in both household scenarios, the DO must clearly mark on the HSIS form that only the foster children are Free and that the non-foster children are Reduced or Non-needy.

b. A Separate HSIS for Foster Children

Households may choose to submit a separate HSIS for their foster child. In this case, the foster parent or guardian must list the foster child's name and mark that the child is a foster child within Part 2 of the form, and then provide his signature and signature date within Part 3. The foster parent/guardian is not required to report any income and is not required to provide his/her last four digits of the adult's social security number on the HSIS.

I. Eligibility of Children Enrolled in Head Start (including Early Head Start)

All children enrolled in federal and Wisconsin-funded Head Start programs who participate in the CACFP are automatically eligible as Free. Public Law 110-134 makes any child enrolled in Head Start, including Early Head Start, automatically eligible for Free meals without obtaining an annually completed HSIS form for the CACFP.

1. In order to claim the children enrolled in Head Start as Free, the agency must have one of the two following documents on file for these children:

- a. A copy of an approved Head Start application for each child.
- b. A list of the names of the Head Start children and a certification statement that the children are currently enrolled in a Head Start Program. This document must include the signature of a Head Start employee authorized to provide certification on behalf of the Head Start office and the date of certification.

2. Siblings or other Household Children who are not enrolled in Head Start:

Siblings and/or other children who reside with Head Start enrolled children, but are not enrolled in Head Start, are not automatically eligible as Free. Meaning, one child's Head Start enrollment does not extend the Free eligibility status to other children. HSIS must be collected to make eligibility determinations of these children.

3. Child care centers that do not run the Head Start program but enroll Head Start children within their centers:

These centers may obtain one of the two documents specified above in I1 (a or b) from the head start administering agency in place of collecting HSIS for eligibility determinations of the children who are enrolled in Head Start; these children can then be claimed as Free. The Head Start certification document serves as the HSIS for these children.

Emailed Lists: If the list of Head Start children is emailed from the Head Start agency to the collaborating child care center, the child care center must retain a copy of both the emailed list of Head Start children and the actual email transmitting the list from the Head Start employee who sent the email, indicating the Head Start employee's name and providing the date that (s)he emailed the list.

Guidance Memorandum 1C: CACFP Requirements for Household Size-Income Statements & Determining Eligibility

If the Head Start certification is not on file for these children, a HSIS must be collected for making their eligibility determinations. The center must obtain written Head Start certification for the Head Start enrolled children at least one time a year in order to continue claiming the Head Start children as Free.

Head Start certification must be obtained for newly enrolled Head Start children when they start their enrollment during the year and are not included within the annual certification list.

4. Monthly Enrollment Data - Completing the Household Size-Income Record (HSIR)

a. **Sites that enroll only Head Start children do not have to complete the HSIR** each month to determine the number of children to report within the enrollment data. Daily attendance records and/or enrollment rosters of the Head Start children must be used for determining the total number of Head Start children who are active each month. Then, the total number of active children should be reported in the Free category within the claim's enrollment data.

b. **Sites that enroll both Head Start children and children not enrolled in Head Start must complete the HSIR on a monthly basis.**

The HSIR must be completed in accordance with the site's selected CACFP enrollment policy within its CACFP contract. When completing the HSIR, Head Start children should be marked in the Free category based on their Head Start eligibility certification; children who are not enrolled in Head Start must be marked in the category for which they are approved on their HSIS.

J. Migrant, Runaway, and Homeless Children:

Please refer to the *Other Source Categorically Eligible Programs* section of the [USDA's Eligibility Manual for School Meals](#) for the required documentation to automatically qualify these children as Free.

K. Questionable HSIS:

The HSIS is a legal document; all information reported on the HSIS must be accurate and true. Reporting inaccurate or false information on the HSIS may result in prosecution under state and federal laws.

The adult household member who signs the HSIS certifies that all of the reported household information is true and correct and that all income is reported. Upon signature, this household member further certifies (s)he understands that the information provided on the HSIS is being given for the receipt of federal funds; that agency officials may verify the information on the form; and that deliberate misrepresentation of the information may subject him/her to prosecution under applicable state and federal laws.

→ **Agencies have an obligation to verify all questionable HSIS ("verification for cause"). If there is concern about the authenticity or correctness of the information provided on a HSIS, the agency, DPI, and/or USDA may, on a case by case basis, verify the HSIS for "cause" or request the household to submit verification documents supporting its listed information on the form.**

Please refer to the *Verification for Cause* section of the [USDA's Eligibility Manual for School Meals](#) for the required protocol in verifying a questionable HSIS for accuracy.

L. Household Size-Income Record (HSIR)

[Excel Version of Household Size-Income Record](#)

[Word Version of the Household Size-Income Record](#)

[Webcast on the Household Size Income Record](#)

Tips on Completing the HSIR: [Household Size-Income Record Reminders](#)

Child care centers and Outside of School Hour centers must use the *Household Size-Income Record* form for documenting each child's Free, Reduced or Non-needy status each month based on his/her valid HSIS on file. This information must be used when compiling the monthly CACFP Reimbursement Claim.

→ **All enrolled children, including infants and Non-needy children, must be listed on the HSIR form.**

1. The Required HSIR Form

All agencies must use the HSIR form unless they have submitted their alternative form to DPI for approval. DPI approval of this alternative form must be granted prior to the agency using it to compile the enrollment data for their monthly CACFP Reimbursement Claim.

2. CACFP Enrollment Policy

All agencies are required to select their CACFP enrollment policy within the online CACFP contract for each site to define the specific time frame that children are considered enrolled when determining which of them will be marked as an eligibility on the HSIR each month. See *Guidance Memorandum 6C* for examples of CACFP enrollment policies that may be chosen by the agency.

3. Completing the HSIR

The HSIR must be completed according to the agency's chosen CACFP enrollment policy. All children enrolled at the center must be listed on the HSIR for the entire Federal Fiscal Year (October – September). When children are no longer considered as enrolled in accordance with the center's chosen CACFP enrollment policy, those children's names must remain on the HSIR, but their eligibilities (Free, Reduced or Non-needy) should not be recorded starting the first full month of no longer being enrolled. Then, at the beginning of a new Federal Fiscal Year, when starting a new HSIR, children who are no longer enrolled should not be listed on the HSIR.

a. Directions to use the Excel version of the HSIR are as follows:

Record the eligibility category of each enrolled child for each month by typing in the appropriate "n", "r", or "f" **OR** an "x" within the appropriate column. If additional rows are needed, press on the row number (on the left-hand side) and select **Insert** and then **Rows** from the top menu.

b. Record Retention and availability of the agency's completed HSIR:

DPI recommends that agencies retain printed copies of each site's HSIR with the support documentation for each monthly claim. If agencies choose not to print their HSIRs for each monthly claim, they must be able and willing to print their HSIRs upon request by DPI or USDA for claim verification purposes.

→ **If agencies solely maintain their HSIRs electronically, safeguards must be in place to ensure that they can readily access these HSIRs and make them available upon request.** Refer to section N2b within this guidance memorandum for further instruction on storing records electronically.

Guidance Memorandum 1C: CACFP Requirements for Household Size-Income Statements & Determining Eligibility

4. Sponsoring Organizations (> one site)

A separate HSIR must be completed for each site to track its enrolled children each month.

- **When children attend more than one center within a given month**, they must be enrolled at each site and included on each of the attended sites' HSIRs. This is critical because claims may be rejected where attendance exceeds enrollment.

M. At-Risk Afterschool Programs and Emergency Shelters:

These sites do not have to use the HSIS form for making eligibility determinations and do not have to complete the HSIR form each month to support the reimbursement claim. All meals are reimbursed at the Free rate of reimbursement. The following documentation must be maintained for each type of site in lieu of the HSIS and HSIR:

1. At-Risk Afterschool Programs:

These sites must maintain documentation of children/youths in attendance each day. Meal attendance recorded by child's name at the time of service may serve as the attendance records.

- #### 2. Emergency Shelters:
- These sites must maintain records that list the children/youths residing at the shelter during the month, including their names, date of births, and period of residency.

→ **Head Start Sites:** go to section I of this guidance memorandum.

N. Record Maintenance and Retention Requirements:

1. Federal Regulations:

USDA regulations require that all CACFP records be retained and remain readily accessible for three years plus the current year based on the Federal Fiscal Year (October 1 to September 30) regardless whether they are retained in hard copy or electronic form. This record retention rule applies to collected HSIS regardless of eligibility determination, including those determined as Non-needy and for those children who are no longer enrolled.

2. Electronic Submission and Storage of HSIS:

a. Electronic Submission:

Agencies cannot require households to submit their completed HSIS electronically. They must make hard copies of the HSIS form available for completion.

i. Via Fax or Email:

At their discretion, agencies may permit households to electronically submit copies of their completed HSIS forms by email or fax under the following conditions:

- Upon request, the household will readily provide the original hard copy of the completed HSIS to the agency, DPI, and/or USDA;
- The submitted copy is legible when viewed electronically as well as by printed hard copy;
- The electronic format used by the household for transmitting the completed HSIS allows the agency (as well as DPI and/or USDA) to readily view and print the document;
- Transmission information including the date and time of the electronic transmission and the identity of the person transmitting the HSIS to the agency is available and retained on file; and

Guidance Memorandum 1C: CACFP Requirements for Household Size-Income Statements & Determining Eligibility

- All necessary safeguards are in place to prevent improper disclosure of the household's HSIS information. For example, the agency should only authorize staff who are responsible for the children's eligibility information to receive or accept electronically submitted HSIS.

ii. Computer or Web-based Systems

- Agencies must request for and obtain DPI approval prior to implementing computer or web-based systems that serve to collect the required HSIS information.

DPI and USDA does not endorse any specific software used for the collection and submission of HSIS information as well as making eligibility determinations. There are no Federal specifications for software vendors. Agencies are responsible for assuring that the software programs used for any automated processes is performing correctly and meets all requirements.

b. Electronic Storage:

Agencies choosing to store HSIS electronically **must ensure that their electronic storage systems sufficiently preserve and maintain these records so that they remain legible and readily accessible for the required retention period (three federal fiscal years plus the current year).**

→ Written Policies and Procedures:

DPI strongly advises agencies which store their records electronically have written policies and procedures that include the 11 points listed on page 2 of DPI's instruction resource:

[Electronic Storage of CACFP Records and Data - Policies and Procedures](#)

O. Sharing Eligibility Information between Child Nutrition Programs

Within this section, the agency disclosing the children's eligibility information will be referred to as the "disclosing agency" and the agency receiving the disclosed information will be referred to as the "receiving agency".

1. Eligibility information may be shared between agencies participating in any of the following Child Nutrition Programs without giving prior notice to or receive consent from the household:

The CACFP, the National School Lunch Program (NSLP), School Breakfast Program (SBP), Summer Food Service Program (SFSP), Special Supplemental Nutrition Program for Women, Infants and Children (WIC), Special Milk Program (SMP).

2. Eligibility Information permitted for Disclosure:

Upon request, agencies participating in any of the Child Nutrition Programs may disclose children's names and their eligibility information, including their eligibility determinations (Free, Reduced, or Non-needy status), to persons directly connected with the administration of other agencies participating in a Child Nutrition Program. Disclosing agencies are responsible for deciding what information may be released to the requesting agency and to whom.

3. Disclosure Protection Requirements:

Receiving agencies are subject to the same confidentiality and disclosure protection requirements as the disclosing agencies. This information must only be transmitted to or shared with “persons directly connected” or must legitimately “need to know” the eligibility information in order to carry out their responsibilities in administering the Child Nutrition Programs for their agency.

The decision to disclose eligibility information to another agency must be taken seriously. The disclosing agency must clearly communicate to the receiving agency that this information cannot be shared with any other agency. The receiving agency must ensure that all safeguards are in place to prevent improper disclosure and that it is securely stored.

4. Disclosure Agreements:

Sharing eligibility information between Child Nutrition Programs is an administrative option that is encouraged, but it is not required. The disclosing agency has the option and is encouraged to enter into a written agreement with the receiving agency. This written agreement should specify the information that will be shared, describe how the shared information will be protected, and prohibit the receiving agency from further disclosure of this information with other agencies.

Critical Points:

- **The sharing agreement should not only include the disclosing agency’s release of the children’s eligibility determinations, but also the release of the *Effective Month of Determination of each child’s eligibility*.** When the receiving agency compiles its enrollment data for submitting a reimbursement claim, the receiving agency must compile the enrolled kids’ eligibilities (e.g. on the Household Size-Income Record) based on the validity period of their HSIS determined by the disclosing agency. Meaning, the receiving agency must report the children’s Free, Reduced, or Non-need status based on the disclosing agency’s *Effective Month of Determination* on each of their HSIS.
- **The receiving agency should retain copies of the dated correspondence used for transmitting the eligibility information from the disclosing agency to the receiving agency.**

A prototype disclosure agreement is available within the [USDA's Eligibility Manual for School Meals](#) within Appendix C: *Prototype Agreement – Disclosure of Free and Reduced Price Information*.