

Benefit Issuance, Meal Counting and Claiming

Benefit Issuance and Meal Counting and Claiming

Note Regarding Senate Bill 2428	H-1
Benefit Issuance.....	H-2
Denying, Delaying, or Changing Meals as Discipline.....	H-3
Replacement of Benefit Issuance Documentation	H-4
School District Policy on Outstanding School Food Service Balances.....	H-5
Meal Counting and Claiming	H-6
Does Your School Have an Acceptable Point-of-Service Meal Counting System?	H-8
Overt Identification and How to Prevent It.....	H-9



Additional Resources

- [USDA Memo SP 46-2016 Unpaid Meal Charges: Local Meal Charge Policies](#)

****Update****

The governor approved Senate Bill 2428, also known as the Hunger-Free Students' Bill of Rights Act, on Aug. 26. This Act takes effect immediately. Read the [full text of the Hunger-Free Students' Bill of Rights Act online](#). ISBE is currently developing updated guidance to portions of the handbook impacted by the new law.

Note Regarding Senate Bill 2428

Illinois lawmakers, in both the Senate and House, passed Senate Bill 2428 as of 5/30/2018 and sent it to the Governor on 6/28/2018. At the time of printing of this Administrative Handbook, the bill is still pending action by the Governor. The Governor has 60 calendar days from the date sent to sign it, or to return it with his veto. If the Governor does nothing, the bill will automatically become a law after the 60-day period. If the Governor vetoes a bill that has been sent to him, the bill can still become law if the General Assembly overrides the veto by passing the bill again by a 3/5 vote in both houses.

If it becomes law, SB 2428 will create the Hunger-Free Students' Bill of Rights Act, which will affect portions of the guidance within this section. If this happens, ISBE Nutrition Division will revise this section of the Administrative Handbook and provide further guidance to sponsors at a later date.

We have highlighted portions of this section that will be impacted by this Act if SB 2428 becomes law.

SENATE BILL 2428 SYNOPSIS:

“Provides that every school in this State shall provide a federally reimbursable lunch to a student of that school who requests the lunch, regardless of whether the student has the ability to pay for the lunch or owes money for earlier lunches. Provides that if a student owes money for 5 or more lunches, a school shall reach out to the parent or guardian of the student to attempt collection of the owed money and to request that the parent or guardian enroll the student in a free or reduced-price lunch program. Provides that a school may not publicly identify or stigmatize a student who cannot pay for a lunch or who owes money for lunches. Effective immediately.” [Read the full text here](#).

Benefit Issuance

The benefit issuance process documents or determines how students are claimed on a daily basis. The benefit issuance document communicates the approved category (FREE, REDUCED-PRICE, or PAID) for each student based on an approved Household Eligibility Application, Direct Certification list, homeless and/or migrant liaison list, Head Start list, Even Start list, residential students in residential child care institutions (RCCIs) list, non-applicants approved by local officials, or another approved method. Listed below are some examples of benefit issuance documents:

- Rosters
- Tickets
- Tokens
- Bar code cards
- Student identification cards
- Verbal identifiers
- Biometrics

Benefit issuance documents must be updated when a change occurs on a student's approved benefits. Here are a few examples of changes to the approved eligibility that require benefit issuance changes:

- Verification findings
- Student transfers
- Household's decision to refuse meal benefits
- Reported change in household size, income, or receipt of SNAP/TANF benefits that would increase meal benefits

When a change occurs that increases meal benefits (i.e. reduced-price to free, paid to reduced-price, or paid to free), the SFA must put the change into effect no later than 3 operating days from the time of the new determination and the household must be notified in writing immediately. Schools should inform households that they may submit applications at any time during the school year.

Changes may occur that decrease benefits (i.e. free to reduced-price) or terminate benefits (i.e. reduced-price to paid, or free to paid) as a result of verification. Changes that decrease the meal benefits being received require that a notice of adverse action be sent to the household immediately. This notice must be sent 10 days prior to the actual reduction or termination of meal benefits. A sample [letter](#) that may be sent to households regarding increases or decreases in meal benefits as a result of verification can be found on the ISBE website.

If the meal benefits being received, based on categorical eligibility, decrease as a result of changes in a household's circumstances (e.g. increased income, loss of SNAP benefits, etc.), the change may not affect the meal benefits being received by the child due to the year-long duration of eligibility. Households experiencing changes in circumstances that would result in a decrease or termination of benefits do not have to be reported by the household. The SFA must explain to the affected household that the change in meal benefits is not required. A decrease in benefits will only go into effect if the household requests the change in writing, which could be done by submitting a new application. If meal benefits are decreased on a voluntary basis, the SFA must notify the household immediately with the following information and changes in eligibility status must be updated within 10 operating days:

- Written confirmation of the meal benefit changes
- An indication that the change was made at the request of the household
- An explanation of the household's right to continue receiving meal benefits, if the household so chooses

School food authorities are required to maintain a system to issue benefits and update the eligibility status of individuals. The system must accurately reflect current eligibility status in addition to changes in eligibility status made after the initial approval process.

Benefit issuance lists may be kept electronically. A system with one database may have multiple sites entering eligibilities that instantly update and reflect the changes of a student's eligibility status. Using a system with one database removes the potential for errors that can occur when using multiple databases.

Computer-based benefit issuance lists containing more than one database of approved student eligibility statuses must be updated to reflect a student's most current approved eligibility status, meaning systems must be synchronized after each change in benefit issuance to avoid errors in the edit check process and Claims for Reimbursement. These changes affect the number of eligibles, students by category, total number of adjustable eligibles, and meals permitted by the edit check per site. Systems with multiple databases are more complex if each site inputs their own approved eligibility statuses.

Denying, Delaying, or Changing Meals as Discipline

The USDA regulations set rules on the denial of meals and milk, delaying meal/milk services and changing of meals components as a form of discipline. Each area is discussed in more detail below.

- The denial of meals and milk as a disciplinary action against any child enrolled in a school participating in a federal Child Nutrition Program is prohibited. If the withholding of meals or milk is the disciplinary action or the disciplinary action *directly* results in the loss of meals or milk, it is not allowable (e.g., a student is suspended from school during the meal or milk

periods only). If however, the disciplinary action *indirectly* results in the loss of meals or milk, it is allowable (e.g., a student is suspended from school).

- Delaying meal/milk services is permitted as a form of discipline provided that no consequent discrimination against persons with disabilities or other protected groups occurs. Delaying meal/milk service as a disciplinary action may involve serving outside the normally designated period or serving in an unusual location, such as a classroom or detention area.
- Changing meal components is also permitted as a form of discipline, although not recommended by the USDA or the State Agency, provided that no consequent discrimination against persons with disabilities or other protected groups occurs. Changing meal components often takes the form of substituting peanut butter or cheese sandwiches for the normal entrée. The required components must still be served, and in Offer versus Serve situations, the full range of component choices must still be offered. This means schools may not provide only a three-item bag lunch. The menu planning approach is designed to meet overall nutrition guidelines over the course of a week. Adding, deleting or replacing food components may result in the menu not meeting weekly nutritional guidelines.

Replacement of Benefit Issuance Documentation

Depending on the benefit issuance documentation chosen, students may misplace or lose tickets, identification cards, etc. The USDA has issued specific instructions (FNS Instruction 765-7, Revision 2) regarding lost, stolen, or misused benefit issuance documentation. The purpose of this guidance is to assist sponsors in developing or revising district/school policies while ensuring compliance with federal regulations. District/school policies that limit the number of replacement benefit issuance documentation, must conform to the following standards:

1. Parents and students must be advised in writing of the district's/school's policy regarding missing benefit issuance documentation and of the students' responsibility for their benefit issuance documentation. Such notice shall be provided at the time applications are distributed to households or upon approval for free or reduced-price benefits.
2. A minimum of three benefit issuance document replacements or special meal arrangements resulting from three lost or stolen benefit issuance documents must be allowed to each student within one school year.
3. The school/district must maintain a list of students who have reported missing original benefit issuance document(s) in the current school year and the number of occurrences for each student. Prior to denying a meal to any student without benefit issuance documentation, the list should always be reviewed to determine if the student has already had at least three replacement documents or special meal arrangements for lost or stolen documentation in the current school year.
4. At least one advance written warning must be given to the student and the parent(s) prior to refusing to allow additional meals or replacement documentation. The written warning must

include an explanation stating the student has repeatedly requested replacement documents, he/she will be expected to either bring lunch or pay full price for lunch.

5. Meals must always be provided to preprimary, young primary, and any disabled students who may be unable to take full responsibility for benefit issuance documentation.

Benefit issuance may be communicated through an identification card that has multiple purposes, such as a school identification card. Below are specific questions and answers addressing automated cards and replacement costs, from the USDA.

Question: May a student who has lost an automated meal card be required to pay to replace it before receiving any more reimbursable meals?

Answer: No. A lost meal card is treated the same way as a lost meal ticket. School food authorities are to follow the policies in FNS Instruction 765-7, Revision 2, "Handling Lost, Stolen, and Misused Tickets." A free, reduced-price, or paid meal must be served, in accordance with the rules in the Instruction. If it is impractical to supply the student with an immediate replacement, then special meal arrangements should be made. As is stated in fiscal year 1994 School Programs Memorandum #3, "Recourse for Schools When Money Is Owed to the Food Service Account," school officials must provide reduced-price or paid meals to eligible children if they have money in hand to pay for the current meal.

Question: What is the maximum charge for a replacement meal card or ticket?

Answer: The USDA sets the maximum charge at the cost of one paid meal. However, if the card has multiple uses in addition to the purchase of meals—for example, if it is a student activity card—this limit does not apply.

School District Policy on Outstanding School Food Service Balances

In Illinois, policies on outstanding school food service balances are set at the school district level. Such policies must adhere to USDA regulations and instructions. All SFAs operating NSLP and/or SBP must have a written and clearly communicated meal charge policy in order to ensure a consistent and transparent approach. This policy must be communicated in writing to all households at the start of each school year and to households that transfer into the school district during the school year. Policies developed at the SFA level must be provided to the State agency during the Administrative Review.

Per the USDA, students eligible for REDUCED-PRICE and PAID meals must be provided a meal if they have money at the point of sale to pay for the current meal. Students eligible for FREE meals must be provided a reimbursable meal, regardless of money owed on à la carte items, second meals purchased, or meal charges accrued prior to certification. A child eligible for FREE

meals must be offered the same reimbursable meal options as all other eligible children regardless of their debt. The purchasing of à la carte items on an account which owes money should be handled according to the SFA-level policy.

Any collection procedures or resources available to the SFA may be used for the collection of debt, including collection agencies. SFAs are encouraged to consider whether the benefits of debt collections outweigh the costs acquired to receive those collections. Collection efforts should be directed at the legal guardians that are responsible for providing funds for meal purchases. SFAs are responsible for ensuring collection efforts do not impact the child of the household involved.

Policies must be implemented and followed consistently. To ensure overt identification is avoided, schools are encouraged to use the same procedures for all students regarding benefit issuance documentation, unpaid meal charges, and discipline.

Meal Counting and Claiming

To receive reimbursement, sites must accurately count, record, and claim the number of meals actually served to students by category: FREE, REDUCED-PRICE, and PAID. The number of meals served FREE, REDUCED-PRICE, and PAID claimed for reimbursement must have adequate documentation on file to support the claim.

Elements of an acceptable counting and claiming system include:

1. Eligibility Documentation

The SFA must have documentation to claim free or reduced-price meals for reimbursement. Documentation can be a Household Eligibility Application, Direct Certification list, homeless and/or migrant liaison list, Head Start list, Even Start list, list of residential students in RCCIs, non-applicants approved by local officials or another approved method.

2. Collection Procedures

The SFA must prevent overt identification at the medium of exchange to keep students' eligibility for free or reduced-price meals confidential.

3. Point-of-Service Counts

Meals must be counted daily at that point in the food service line where it can be determined that a reimbursable meal, containing all required components, has been served to an eligible student. It is NOT recommended that a student take point-of-service counts. Rather it is preferred that a trained adult, school employee or volunteer take the counts. Any alternative point-of-service counting methods must be approved by the Illinois State Board of Education Nutrition Division.

Meal count systems that are NOT ACCEPTABLE include the following:

- Attendance, tray, classroom, delivery, or entrée counts
- Cash converted to meals
- Category/cash back-out system
- Counts taken anywhere other than the point-of-service, such as the beginning of the service line
- Counts of tickets sold and distributed
- All cash line

Use of Biometric Information—for meal counting systems that use fingerprints, hand geometry, voice or facial recognition or any other student biometric information, Public Act 095-0232 requires the SFA to adopt a policy with the following items:

- Written permission to collect biometric information from the individual who has legal custody of the student or from the student if he or she has reached the age of 18. Failure to provide this written consent must not be the basis for refusal of any services otherwise available to the student.
- The discontinuation of use of a student's biometric information when the student graduates or withdraws from the school district, or if a written request for discontinuation is provided to the school by the individual who has legal custody of the student, or by the student if he or she has reached 18 years of age.
- The destruction of all of a student's biometric information within 30 days after the biometric information is discontinued through graduation, withdrawal, or a written request for discontinuation.
- The use of biometric information solely for identification or fraud prevention.
- A prohibition on the sale, lease or other disclosure of biometric information to another person or entity, unless consent is obtained from the individual who has legal custody of the student, or from the student if he or she has reached 18 years of age, or the disclosure is required by court order.
- The storage, transmittal and protection of all biometric information from disclosure.

4. Reports

The numbers of reimbursable meals served daily, by category of eligible students are recorded and reported by personnel trained to observe and record reimbursable meals. The meal counts must be reported in a manner that can be easily read, edited and consolidated into an accurate monthly Claim for Reimbursement.

The SFA must evaluate the meal counts for each site prior to submission of the Claim for Reimbursement, which is submitted through the ISBE Web-based Illinois Nutrition System (WINS). The [Meal Count Edit Form](#) (ISBE Form 67-37) may help an SFA identify and prevent errors in recording and consolidating meal counts.

- The process compares the daily number of free, reduced-price and paid lunches claimed for each site to the following:
 - Highest number of eligibles by category

- Attendance-adjusted eligibles for each category
- The meal count edit form also compares the monthly number of free, reduced-price and paid lunches claimed for each site to the maximum number of meals allowable to the total number of meals claimed by category.

The SFA shall promptly follow-up through phone contact, on-site visits or other means when the internal controls used by the school(s) or SFA for the claims process indicate the likelihood of meal count problems. When problems or errors are identified, the meal counts shall be corrected prior to submission of the monthly Claim for Reimbursement. Improvements to the meal count system shall be made to ensure that the meal counting system consistently results in meal counts of the actual number of reimbursable free, reduced-price and paid meals served for each day of operation.

5. Claim for Reimbursement

The monthly Claim for Reimbursement is submitted electronically by the SFA to the Illinois State Board of Education. Only the person authorized in ISBE’s Web Application Security (IWAS) may submit claims to ISBE. It is the responsibility of the authorized representative to ensure all policies and procedures and internal controls (on-site visits) are implemented to ensure the Claim for Reimbursement is accurate and supported by documentation.

6. Internal Controls

The SFA must establish internal controls to ensure an accurate Claim for Reimbursement has been made. Here are a few examples of internal controls:

- Segregation of duties
- On-site visits
- Reconciliation of production records to meals

It is impossible to describe every system in this manual. Each system has a number of variations and modifications unique to each site and/or SFA. Also, many of the systems can be used alone or together with other systems. Whatever the system implemented may be, it must prevent overt identification and provide accurate daily counts by category.

Does Your School Have an Acceptable Point-of-Service Meal Counting System?

Answer the following questions about your meal counting system. If the answer to any of these questions is *YES*, your counting system is **NOT** acceptable and must be revised.

1. Are claims based only on meal counts taken in the morning in the classroom or at any other location *before* the meal is served?
2. Are claims based on *attendance*?

3. Are meal counts based on the *number of tickets sold and distributed* or the *number of meals paid for in advance*?
4. Is the number of free and reduced-price *eligible students claimed*, instead of the number of free and reduced-price meals *actually served*?
5. Are meal counts by category taken at the *beginning of the serving line* without checking that the meals served are *reimbursable*?
6. Are meal counts by category based on *visual identification* of students with no backup system available (e.g., *checklists* for persons not familiar with the students)?
7. Are meal counts based on *tray, plate, or entrée* counts?
8. Are *back-out systems* that subtract a number from the total to get another number used?
9. Does the meal count system allow anyone other than *required staff* to know a student's eligibility category?
10. Is this a system that does NOT yield a *reliable, accurate count* of meals served by *category*?

Overt Identification and How to Prevent It

A system for claiming meals must prevent overt identification. This means the eligibility category of any child must be protected and known only by those school officials who deal directly with the counting and claiming system.

Codes on tickets or rosters are one method of preventing overt identification. A code must be difficult to recognize, but not so confusing the person taking the count has difficulty identifying the category.

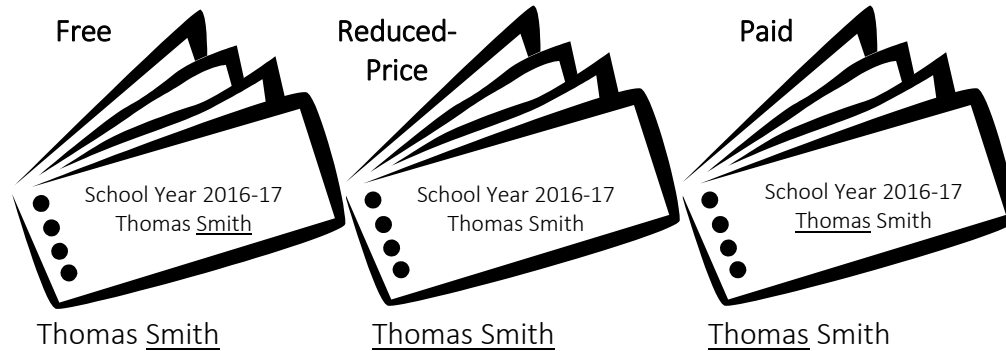
Some codes are prohibited by the USDA because they are too easily recognizable and therefore allow overt identification. These include the actual words "free," "reduced-price" and "paid" or the use of the letters "F," "R" or "P." In addition, the use of different colors for different designations is also prohibited. A single symbol code such as A, B, C or 1, 2, 3 is not recommended either. The multiple use of the same symbol such as AAA, BBB, or CCC is also not recommended.

Recommended codes are as follows:

- Codes by series—Use of four- or five-digit numbers in a series. For example, 1000–1999 for FREE, 2000–2999 for REDUCED-PRICE, and of 3000–3999 for PAID.
- Codes by student identification number—Use of the last digit of a student's identification number to represent the appropriate eligibility category. For example, use a number ending in zero to reflect free, those ending in an odd number to represent reduced-price, and those ending in an even number to represent paid.
- Codes by variations—Vary the placement of the students' enrollment dates or other items. For example, 10/2/16 could represent FREE, 10-2-16 could represent REDUCED-PRICE, and 10.2.16 could represent PAID.

- Codes by subtle differences—Use different print styles, spacing, or underline a different part of the student’s name or other information to represent different categories. For example, underlining the student’s last name might represent FREE, underlining the whole name might represent REDUCED-PRICE, and underlining the first name might represent PAID.

See the sample tickets for Ima Hungry Middle School:



- Codes by number of digits—vary the length of coded numbers by category. For example, FREE is represented by four-digit numbers, REDUCED-PRICE by five-digit numbers and PAID by six-digit numbers.
- Roster (also known as a checklist, master list or lunch list) codes—a roster used to take the count in the lunch room may also be coded in any of the above ways. A coded roster aids in counting the daily number of FREE, REDUCED-PRICE and PAID meals served per classroom, so spaces for these daily numbers must be allowed on the roster.