Food and
Nutrition
Service

Park Office
Center

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DATE:             March 9, 2016

MEMO CODE:        SP 29-2016

SUBJECT:          Reporting Instructions for Form FNS-874 "*Local Educational Agency Second Review of Applications*" (formerly FNS-742a)

TO:               Regional Directors
                  Special Nutrition Programs
                  All Regions

                  State Directors
                  Child Nutrition Programs
                  All States

Section 304 of the Healthy, Hunger-Free Kids Act of 2010 requires local educational agencies (LEAs) that demonstrate high levels of, or a high risk for administrative error associated with certification, verification and other administrative processes to conduct an independent review of the initial eligibility determinations for free and reduced price school meal applications for accuracy prior to notifying households of eligibility. The final rule *Independent Review of Applications Required by the Healthy, Hunger-Free Kids Act of 2010,* published in the Federal Register on February 6, 2014, established in 7 CFR parts 210 and 245 the requirements related to the second review of applications process, which became effective in School Year (SY) 2014-2015. This memorandum provides important guidance concerning the State agency's report on the results of the second review of applications, which is required in 7 CFR 245.11.

For SY 2014-2015, the State agencies reported the results of the second review of applications to the Food and Nutrition Service (FNS) via email on the form FNS-742a "*Local Educational Agency Second Review of Applications.*" For SY 2015-2016, there are a number of changes and State agencies must submit the reports as specified in this memorandum.

**Reporting instructions for submitting SY 2015-2016 results**:

- **The "*Local Educational Agency Second Review of Applications*" form has been renumbered to <u>FNS-874</u>**. Form number FNS-742a is now obsolete.

- **FNS-874 must be submitted via the Food Program Reporting System (FPRS)** for SY 2015-2016 (FY 2016) and for all subsequent years.

- **FPRS reporting rights have been transferred from the FNS-742 for all users.** State agency and FNS Regional office staff who have permission to access the FNS-742 in FPRS *as of December 2015* have the same level of permission (enter, validate, certify, or post data) for the FNS-874. See Attachment A for more information.

- **A reporting template is available in FPRS for uploading the data**. The format and data elements have not changed from the SY 2014-2015 template with the exception of some columns that are now system-calculated in FPRS (see Attachment A).

- **Reporting due dates have not changed**. Annual reports are due from all State agencies (certified in FPRS) on or before March 15th. FNS Regional offices are responsible for reviewing and posting the reports on or before March 30th.

If State agencies experience delays in gaining access to the FNS-874 in FPRS, a provisional 15-day extension of the due dates is authorized for FY 2016 reporting only. All other reports are expected to be submitted by the due date. State agencies should notify their respective FNS Regional offices of FPRS access issues and contact the FPRS Help Desk if necessary. Regional offices should notify the National office of any issues via email to: cnstatesystems@fns.usda.gov with "[State] FNS-874" as the subject line.

State agencies are reminded of the **criteria for the selection** of LEAs to be included on the FNS-874 as follows:

**Criteria 1**: All LEAs with 10 percent or more of certification/benefit issuances in error, as determined by the State agency during an administrative review; and

**Criteria 2**: LEAs that the State agency considers at risk for certification error but not selected under Criterion 1. State agencies have the discretion to determine what risk factors are necessary to be selected under Criteria 2 however State agencies are strongly encouraged to include those LEAs that are found to have certification/benefit issuances in error between 5-10 percent as determined during an administrative review. State agencies should also consider selecting LEAs that: 1) are new to the National School Lunch and School Breakfast Programs; 2) have recently hired new administrative staff; and 3) implemented a new electronic system.

**All State agencies must submit an FNS-874**. FNS anticipates that every State will have some LEAs that either demonstrate high levels of, or are at risk for administrative error. These LEAs should be identified by the State agency and selected to conduct a second review of applications.

If after conducting an assessment using Criteria 1 and 2, a State agency has not identified any LEA at a high level of, or at risk of administrative error, the State agency may contact their respective FNS Regional office to determine if additional criteria under Criteria 2 should be considered. If still no LEAs meet the criteria, the State agency should submit the FNS-874 in FPRS by entering zero (0) in the SFA/LEA ID column; "None" in the SFA/LEA Name column; the applicable School Years; and zeros (0) in data columns 1-1 through 1-5.[1]

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[1] For FY 2016 only: State agencies with no LEAs selected and reporting zeros in columns 1-1 through 1-5 should submit their FNS-842 in FPRS no earlier than March 15th but no later than March 30th. A technical issue will result in a form being rejected in FPRS with all zeros; this issue is being corrected.

LEAs are reminded that this report is designed to capture the *activity* of the second review of initial eligibility determinations. That is, if an initial eligibility determination error is recognized on a selected application then the LEAs should report where the error originated (such as in category: A. Determined Free) and then record what action was taken and why to correct the error (such as: 2. Changed to Reduced Price, because of: a. Incomplete application error). All results from the second review activity should be reported on the FNS-874.

Previous guidance regarding this report is available in SP 44-2014 *Questions and Answers Related to the Independent Review of Applications*, issued April 30, 2014; and SP 62-2014 *Release of the new Local Educational Agency Second Review of Applications Report,* issued September 8, 2014.

State agencies with questions should contact the appropriate FNS Regional office.

Sarah E. Smith-Holmes
Director
Program Monitoring and Operational Support Division
Child Nutrition Programs

Attachment

## REPORTING GUIDANCE: FNS-874 in FPRS

To facilitate a more efficient tracking process and increase reporting integrity, the "*Local Educational Agency Second Review of Applications"* report has been incorporated into the Food Program Reporting System (FPRS). To reduce confusion and accommodate the transition to FPRS, the form number has been changed to FNS-874 (formerly FNS-742a).

State agencies must submit an FNS-874 via FPRS beginning with the SY 2015-2016 (FY 2016) reports. Annually, certified reports are due from State agencies on or before March 15th and FNS Regional offices are responsible for posting reports on or before March 30th.

### Gaining Access to the FNS-874 in FPRS

FPRS has transferred all users reporting permission from the FNS-742 to the FNS-874 (as of December 2015). That is, if as of December 2015 State agency or FNS Regional office staff had permission to enter, validate, certify, or post the FNS-742 data in FPRS then the same level of permission for the FNS-874 has been transferred to such staff. State agency and FNS Regional offices staff that do not already have access to FPRS should follow the instructions below to gain access to the form in FPRS.
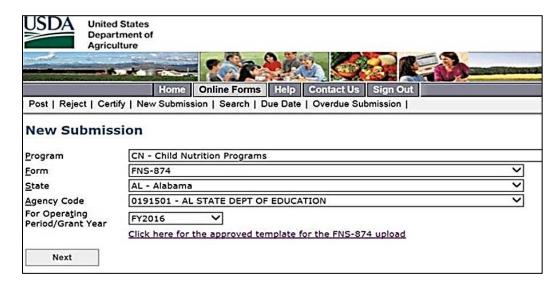
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#### Instructions for Accessing FPRS

- To gain permission to enter, validate, certify or post reports in FPRS, State agency and FNS Regional office users must complete an FNS Computer System Access Request (FNS-674). This form is found on the "Welcome to FPRS" page of the FPRS website.

- State agencies may access the FPRS website here: https://fprs.fns.usda.gov/.

- Regional office staff may access FPRS through the link above or from the FNS intranet site by clicking the "Restricted Access Sites" on the left menu and then clicking on "FPRS."

- State agencies and Regional office staff must submit their FNS-674s with their supervisor's approval to their designated FNS Regional office Authorizing Official.

- Once the appropriate approvals are obtained, the Regional office Authorizing Official should forward all approved FNS-674 forms for both State agency and Regional office users to the FNS National office.

If you have any questions or experience difficulties with gaining access, please contact: FPRS.support@fns.usda.gov or call the FPRS Help Desk: 1-866-336-3777

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### Submitting Form FNS-874 in FPRS

On the "New Submission" page in FPRS, State agencies should select the "FNS-874" from the **Form** drop-down box; select "FY 2016" as the **Operating Period/Grant Year**; and click on approved template to access the data sheet.

Here is a screenshot of the FNS-874 for FY 2016 from the FPRS "New Submission" page:

The first tab of **approved template** is the reporting **Data Sheet** that will be uploaded into FPRS. The workbook includes additional tabs with information regarding the accepted data values (Template Specs), excel spreadsheet rules (Info), and a Sample of submitting the data.

The format of the approved template has not changed from the previous templates provided for reporting this data. However, some fields will be **system calculated**. Chart 1. provides the FNS-874 field specifications and associated system calculations that FPRS performs.

For example, the FNS-874 box 1-3, "Total number of applications" will automatically add together the applications reported columns: 1-4 + 1-5.A.1 + 1-5.B.1 + 1-5.C.1. If the user enters data is box 1-3, the system will ignore the data entered and insert the system calculated total.

**Chart 1: FNS-874 Field Specifications in FPRS**

| Box Number | Description | Blocked | Input Type | Format | Range | Calculation |
|---|---|---|---|---|---|---|
| 1-1 | Section: Column, 1-1: Total number of schools in LEA | Not Blocked | User Entered | Numeric | Positive and Zero | |
| 1-2 | Section: Column, 1-2: Total number of enrolled students in LEA | Not Blocked | User Entered | Numeric | Positive and Zero | |
| 1-3 | Section: Column, 1-3: Total number of applications | Blocked | Systems Calculated | Numeric | Positive and Zero | 1-3 = 1-4 + 1-5.A.1 + 1-5.B.1 + 1-5.C.1 |
| 1-4 | Section: Column, 1-4: Total number of applications with changed eligibility determinations | Blocked | Systems Calculated | Numeric | Positive and Zero | 1-4 = (1-5.A.2a + 1-5.A.2b + 1-5.A.2c + 1-5.A.2d) + (1-5.A.3a + 1-5.A.3b + 1-5.A.3c + 1-5.A.3d) +( 1-5.B.2a + 1-5.B.2b + 1-5.B.2c + 1-5.B.2d) + (1-5.B.3a + 1-5.B.3b + 1-5.B.3c + 1-5.B.3d) + 1-5.C.2a + 1-5.C.2b + 1-5.C.2c + 1-5.C.2d) + (1-5.C.3a + 1-5.C.3b + 1-5.C.3c + 1-5.C.3d) |
| 1-5.A.1 | Section: Column, 1-5.A.1: Free, No Change | Not Blocked | User Entered | Numeric | Positive and Zero | |

| 1-5.A.2 | Section: Column, 1-5.A.2: Free, Change to Reduced Price | Blocked | Systems Calculated | Numeric | Positive and Zero | 1-5.A.2 = 1-5.A.2a + 1-5.A.2b + 1-5.A.2c + 1-5.A.2d |
|---|---|---|---|---|---|---|
| 1-5.A.2a | Section: Column, 1-5.A.2a: Free, Incomplete application error | Not Blocked | User Entered | Numeric | Positive and Zero | |
| 1-5.A.2b | Section: Column, 1-5.A.2b: Free, Categorical eligibility error | Not Blocked | User Entered | Numeric | Positive and Zero | |
| 1-5.A.2c | Section: Column, 1-5.A.2c: Free, Gross income calculation error | Not Blocked | User Entered | Numeric | Positive and Zero | |
| 1-5.A.2d | Section: Column, 1-5.A.2d: Free, Other error | Not Blocked | User Entered | Numeric | Positive and Zero | |
| 1-5.A.3 | Section: Column, 1-5.A.3: Free, Change to Paid | Blocked | Systems Calculated | Numeric | Positive and Zero | 1-5.A.3 = 1-5.A.3a + 1-5.A.3b + 1-5.A.3c + 1-5.A.3d |
| 1-5.A.3a | Section: Column, 1-5.A.3a: Free, Incomplete application error | Not Blocked | User Entered | Numeric | Positive and Zero | |
| 1-5.A.3b | Section: Column, 1-5.A.3b: Free, Categorical eligibility error | Not Blocked | User Entered | Numeric | Positive and Zero | |
| 1-5.A.3c | Section: Column, 1-5.A.3c: Free, Gross income calculation error | Not Blocked | User Entered | Numeric | Positive and Zero | |
| 1-5.A.3d | Section: Column, 1-5.A.3d: Free, Change to Paid, Other error | Not Blocked | User Entered | Numeric | Positive and Zero | |
| 1-5.B.1 | Section: Column, 1-5.B.1: REDUCED PRICE, NO CHANGE | Not Blocked | User Entered | Numeric | Positive and Zero | |
| 1-5.B.2 | Section: Column, 1-5.B.2: REDUCED PRICE, Changed to FREE | Blocked | System Calculated | Numeric | Positive and Zero | 1-5.B.2 = 1-5.B.2a + 1-5.B.2b + 1-5.B.2c + 1-5.B.2d |
| 1-5.B.2a | Section: Column, 1-5.B.2a: REDUCED PRICE, Incomplete application error | Not Blocked | User Entered | Numeric | Positive and Zero | |
| 1-5.B.2b | Section: Column, 1-5.B.2b: REDUCED PRICE, Categorical eligibility error | Not Blocked | User Entered | Numeric | Positive and Zero | |
| 1-5.B.2c | Section: Column, 1-5.B.2c: REDUCED PRICE, Gross income calculation error | Not Blocked | User Entered | Numeric | Positive and Zero | |
| 1-5.B.2d | Section: Column, 1-5.B.2d: REDUCED PRICE, Other error | Not Blocked | User Entered | Numeric | Positive and Zero | |

| 1-5.B.3 | Section: Column, 1-5.B.3: REDUCED PRICE, Changed to PAID | Blocked | System Calculated | Numeric | Positive and Zero | 1-5.B.3 = 1-5.B.3a + 1-5.B.3b + 1-5.B.3c |
|---|---|---|---|---|---|---|
| 1-5.B.3a | Section: Column, 1-5.B.3a: REDUCED PRICE, Incomplete application error | Not Blocked | User Entered | Numeric | Positive and Zero | |
| 1-5.B.3b | Section: Column, 1-5.B.3b: REDUCED PRICE, Gross income calculation error | Not Blocked | User Entered | Numeric | Positive and Zero | |
| 1-5.B.3c | Section: Column, 1-5.B.3c: REDUCED PRICE, Other error | Not Blocked | User Entered | Numeric | Positive and Zero | |
| 1-5.C.1 | Section: Column, 1-5.C.1: PAID, NO CHANGE | Not Blocked | User Entered | Numeric | Positive and Zero | |
| 1-5.C.2 | Section: Column, 1-5.C.2: PAID, Changed to FREE | Blocked | System Calculated | Numeric | Positive and Zero | 1-5.C.2 = 1-5.C.2a + 1-5.C.2b + 1-5.C.2c + 1-5.C.2d |
| 1-5.C.2a | Section: Column, 1-5.C.2a: PAID, Incomplete application error | Not Blocked | User Entered | Numeric | Positive and Zero | |
| 1-5.C.2b | Section: Column, 1-5.C.2b: PAID, Categorical eligibility error | Not Blocked | User Entered | Numeric | Positive and Zero | |
| 1-5.C.2c | Section: Column, 1-5.C.2c: PAID, Gross income calculation error | Not Blocked | User Entered | Numeric | Positive and Zero | |
| 1-5.C.2d | Section: Column, 1-5.C.2d: PAID, Other error | Not Blocked | User Entered | Numeric | Positive and Zero | |
| 1-5.C.3 | Section: Column, 1-5.C.3: PAID, Change to REDUCED PRICE | Blocked | System Calculated | Numeric | Positive and Zero | 1-5.C.3 = 1-5.C.3a + 1-5.C.3b + 1-5.C.3c + 1-5.C.3d |
| 1-5.C.3a | Section: Column, 1-5.C.3a: PAID, Incomplete application error | Not Blocked | User Entered | Numeric | Positive and Zero | |
| 1-5.C.3b | Section: Column, 1-5.C.3b: PAID, Categorical eligibility error | Not Blocked | User Entered | Numeric | Positive and Zero | |
| 1-5.C.3c | Section: Column, 1-5.C.3c: PAID, Gross income calculation error | Not Blocked | User Entered | Numeric | Positive and Zero | |
| 1-5.C.3d | Section: Column, 1-5.C.3d: PAID, Other error | Not Blocked | User Entered | Numeric | Positive and Zero | |