

Section 4200

Day Care Home

Eligibility and

Enrollment

Log of Section Updates

This table will reflect updates to the handbook implemented during the current Program Year. All substantive updates made since the last release will be highlighted in yellow within this section.

Date of Edit	Content/Purpose	Subsection(s)
March 2026	Consolidated content from all four previous handbooks.	General
	Reorganized, rewrote, and/or reformatted information throughout the section for clarity	
	Provided more detail on determining area eligibility using census data.	4222
	Added more details about the information that sponsors must provide households when seeking eligibility information for enrolled children.	4231
	Clarified that while Tier II providers may collect eligibility information on behalf of the sponsor, they may not process that information or make any eligibility determinations.	
	Clarified that only a household member's participation in SNAP, TANF, and FDPIR will confer categorical eligibility to the entire household; however, other programs with income-based criteria for participation may qualify for meals served to an individual child for higher reimbursement.	4233
	Clarified that participation in one of the qualifying programs listed in Form H1660 may qualify a provider for Tier I eligibility or a Tier II enrollee for Tier II High reimbursement.	4233.1
	Included information on how to calculate income eligibility for households with deployed military members.	4234.2

March 2026	Clarified that providers requesting to qualify as Tier I based on participation in a qualifying program, they must provide dated documentation certifying participation in that program.	4233.1, 4235
	Clarified that an eligibility determination can be retroactive to the first of the month and provided more examples of how the effective month can be determined.	4236
	Added TDA's verification responsibilities for reviewing provider/participant Tier classification.	4238

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4200 Day Care Home Eligibility and Enrollment

***NOTE:** This section applies only to sponsors of day care home providers. Sponsors of child care centers, adult day care centers, at-risk sites, and outside-school-hours care centers can find information on enrollment and participant eligibility determinations in Section 4100.*

4210 Tier Classification of Day Care Home Providers

Day care home provider reimbursement for meals is based on a two-tiered rate structure. Providers receive reimbursement for meals served to enrolled children based on the economic need of the provider (income or categorical eligibility), the economic need of the area in which the provider is located (area eligibility), or the economic need of individual enrolled children.

Sponsors of day care homes must determine if a provider can receive the higher Tier I or lower Tier II reimbursement as described in this section.

NOTE: A provider may qualify as Tier I or II, but not both, for any given month. The provider application in TDA's online Application system displays sponsor CEs' determinations of providers' tier statuses. Day care home sponsors must maintain documentation supporting Tier I determinations.

4211 Tier I Provider Overview

Tier I providers receive a higher rate of reimbursement per meal served based on the *provider household's*:

- Area eligibility (based on school or census data for the neighborhood in which the provider is located)
- Categorical eligibility (based on the provider's participation in an eligible federal or State program with income requirements that meet the standard for qualification for Tier I rates).
- Household income below the federally defined income eligibility guideline thresholds defined by USDA each year.

After a sponsor classifies a provider as Tier I, the provider will receive Tier I reimbursements for all CACFP meals served to enrolled **nonresident** children, regardless of the individual enrollees' household incomes.

If the Tier I classification is based on *area* eligibility and the **provider's own children** (resident children) are enrolled for care, providers must demonstrate income or categorical eligibility of the enrolled resident children to receive Tier I reimbursement for meals served to those children.

4212 Tier II Provider Overview

Any provider not classified by a sponsor as Tier I will be classified as Tier II. Tier II providers may choose to receive lower Tier II reimbursement rates (Tier II Low) for meals served to all enrolled children or *may choose* to have sponsors determine the eligibility of individual enrolled children. In the latter case, meals served to individual children determined as eligible by sponsors may receive a higher reimbursement that aligns with what is reimbursed for meals served at Tier I providers (Tier II High).

Tier II providers **may only claim their own (i.e., resident) children** for reimbursements if the provider can document that the child qualifies for free or reduced-price meals as described in this section **and** if the child is officially enrolled for care.

If a Tier II provider chooses to...

Receive Tier II Low reimbursements for <i>all</i> meals...	No additional documentation is required from the provider.
Have sponsor CEs determine Tier II High eligibility for individual enrollees...	<p>Sponsors must notify Tier II providers of this option. If a provider consents to this option, sponsors will contact enrollee households in accordance with <i>Obtaining Eligibility Information from Providers or Households</i> below to gather the documentation required to determine enrollee eligibility for Tier II High rates.</p> <p>Sponsors must determine whether each enrollee is eligible for Tier II High reimbursement and process eligibility determinations as described later in this section.¹</p>

4220 Tier Classification Based on Area Eligibility

Sponsors can designate Tier I status to providers located in areas with a substantial number of children eligible for free or reduced-price meals, as determined by school or census data. This eligibility determination is known as “area eligibility.”

Area-eligible providers receive Tier I reimbursement for all enrolled *nonresident* children. Neither the provider (unless seeking reimbursement for enrolled resident children) nor *nonresident* enrollee households must submit documentation to verify income or categorical eligibility.

NOTE: If area-eligible providers seek Tier I reimbursement for meals served to **enrolled resident children**, the provider must establish income or categorical eligibility for those children. See *Tier Classification Based on Income or Categorical Eligibility* below for guidance.

¹ Sponsors will also make the same determination for area-eligible Tier I providers submitting documentation to qualify enrolled resident children for Tier I reimbursement.

Tier I designations for providers based on area eligibility are valid for 5 years from the effective date of determination. Eligibility is considered current and valid until the last day of the month in which the determination was made five years earlier (**EXAMPLE:** A Tier I determination based on area eligibility made on July 1, 2025, is valid through July 31, 2030). If an area-eligible provider changes location, sponsors must reassess their eligibility.

4221 School Data Area Eligibility

Sponsors can designate Tier I status to providers in the same attendance area as a school where 50% or more of enrolled children are eligible for free or reduced-price meals.

Sponsors using school data to confer area eligibility must:

- Ensure the provider is in the attendance area of an area-eligible school and that the school draws attendance from the provider’s specific neighborhood²
 - Every February, TDA publishes the *School Data for Area Eligibility List* (see the CACFP Administration/Forms page on <https://squaremeals.org/Programs/Child-and-Adult-Care-Food-Program/Administration-Forms>)
 - This list contains all area-eligible individual schools in Texas based on 50% or more of the enrolled children being eligible to receive free or reduced-price meals.
 - Data is based on the previous October’s meal claims or the percentage of children enrolled that have been determined categorically eligible to receive free meals based on a direct certification process.
 - Sponsors who obtain a more current month’s documentation from a school in their provider’s attendance area demonstrating 50% or more of enrolled children are free or reduced-price meal eligible may also receive Tier I eligibility.
- Sponsors must obtain written or verbal verification that the school draws attendance from the neighborhood and does not limit attendance to a subset of children that does not represent the economic landscape of the neighborhood in which the school is located.
- Retain documentation for all school data used, including:
 - TDA’s *School Data for Area Eligibility List*, and
 - Documentation confirming that the school has a defined attendance zone and serves the children within the neighborhood. Documentation must include:
 - School name and district justifying Tier I determination
 - Name of school official contact
 - Date of school official contact

² For rural areas or small towns with a single school serving the entire town or ISD, the “specific neighborhood” can be the entire town or ISD.

- Phone number of the school official contacted
- Specific information provided by the school official that indicates the school is not limiting attendance to a subset of children that excludes neighborhood children

NOTE: Failure to retain documentation could result in Tier I eligibility denial and adverse action against the sponsor.

4222 Census Data Area Eligibility

Sponsors can also designate Tier I status to providers if census data indicates at least 50% of children residing in the area are members of households meeting income standards for free or reduced-priced meals.

Sponsors using census data for area eligibility must:

- Ensure providers are located in one of these geographical units where 50% or more of children are eligible for free or reduced-price meals:
 - A census block group (CBG)
 - A census tract
 - With TDA approval, the weighted average of the provider’s CBG and *up to two* adjacent CBGs, if all CBGs used have 40% or more of children eligible for free or reduced-price meals

NOTES:

- CEs may use these census data sources (also linked at <http://www.squaremeals.org> → Child and Adult Care Food Program → Area Eligibility Using Census Data on the left-side menu):
 - [Area Eligibility Mapper for CACFP and Summer Meals](#)
 - [Food Research and Action Center \(FRAC\) CACFP Mapper](#)
 - Providers can be area-eligible based on *either* FRAC’s CACFP or SFSP mappers
- TDA provides updated census data every October that CEs can use to re-determine providers’ Tier eligibility

Retain documentation for census data by printing the page that proves providers are located in an eligible area.

4230 Tier Classification Based on Categorical or Income Eligibility

For providers that are not area eligible, sponsors may determine Tier I classification of the provider based on either categorical or income eligibility. Additionally, sponsors may qualify individual enrolled participants at Tier II providers or enrolled resident children at area-eligible Tier I providers based on categorical or income eligibility.

Sponsors make these determinations using household information submitted on *CACFP Meal Benefit Income Eligibility Forms*, documentation of a child's foster status, and/or documentation of enrollment in qualifying federal or state programs.

For sponsors that want to qualify individual enrollees at a Tier II home for Tier II High reimbursement, sponsors must notify Tier II providers of this option. If this option is selected, sponsors should indicate the selection in the *Provider Application* within the online Application system.

Tier I and Tier II High designations for providers and households, respectively, based on categorical or income eligibility, are valid for 12 months.

4231 Obtaining Eligibility Information from Providers or Households

Sponsors who need to establish Tier I classification for non-area eligible providers, Tier I classification of an enrolled resident child at an area eligible Tier I provider, or Tier II High classification for individual enrollees at Tier II providers must distribute annually to applicable households the following documentation:³

- Applicable letter to household:
 - **For providers:** *CACFP Meal Benefit Income Eligibility Form Letter to Provider – Tier I or Provider's Own Children*
 - **For households of enrolled children in Tier II homes:** *CACFP Meal Benefit Income Eligibility Form Letter to Households – Tier II Day Care Homes*
- *CACFP Meal Benefit Income Eligibility Form (Child Care)*
- *Income Standards for Determining Child Nutrition Program Eligibility (H1625-A)*.
- *List of Eligible Federal/State Funded Programs (H1660)*

The documentation package listed above must include:

- General Program information.
- Explanation of how households with incomes at or below the levels listed on the *Income Eligibility Guidelines for Determining Free or Reduced-Price Benefits (H1625-A)* are eligible for CACFP benefits.⁴
- How a participant's household's completion of the *CACFP Meal Benefit Income Eligibility Form* will determine participant eligibility for free or reduced-price meal benefits.
- An explanation that an application cannot be approved unless it contains complete documentation as described in the letter.
- Instructions on reporting income and household information.

³ Templates and forms referenced are available on the CACFP Administration/Forms page of SquareMeals.org.

⁴ To align with federal requirements, *Form H1625A* only contains the income eligibility guidelines that would qualify a household for reduced-price meals.

- A list of federal or State-supported child care or other benefit programs with an income eligibility limit that does not exceed the eligibility standard for free or reduced-price meals, and a statement that participation in these programs will qualify a child for higher reimbursement. Applicable programs are listed in the letter template and the *List of Federal/State Funded Assistance Programs with Qualifying Income Requirements (H1660)*.

NOTE: A household member's participation in SNAP, TANF, or FDPIR will confer eligibility to an entire household as long as the household lists the eligibility number on the Meal Benefit Income Eligibility Form. An individual child's household participation in any other program listed in *Form 1660* requires the household to provide official evidence that it is participating in the qualifying program.

- A statement that once approved for higher reimbursement, the qualifying participants will remain eligible for those benefits for 12 months.
- The statement: "In the operation of child feeding programs, no person will be discriminated against because of race, color, national origin, sex, age, or disability."
- A statement noting that a participant may become eligible for benefits if a household member becomes unemployed, provided that the loss of income causes the household income during the period of unemployment to be within the eligibility standards for those meals.

Tier II providers may collect eligibility forms and other supporting documents on behalf of the sponsor, but they cannot review those forms or assist in determining the eligibility of enrolled children. If a Tier II provider elects to assist in collecting and transmitting applications to the sponsor, it is the sponsor's responsibility to establish procedures to ensure that the provider does not review or alter the application.

Letters to households must contain a method for the household to provide written consent for the provider to collect the documentation. Contact information for the sponsor must be provided for households that do not consent to provide the information directly to their provider. The letter must also state that the provider will not be reviewing any collected information and that households are not required to submit any eligibility determination information as a condition of enrollment or to receive a meal.

4232 CACFP Meal Benefit Income Eligibility Form

Sponsors receiving completed *CACFP Meal Benefit Income Eligibility Forms* from providers or households must verify the following information is included:

- Names of enrolled children and all household members
- Signatures of an adult household member
- Date of signature
- If households complete the *Total Household Gross Income* section of the form (Part 4), then verify:
 - The last four digits of the social security number of the signing adult household member *or*
 - That the box "I do not have a Social Security Number" is checked
- All supporting documentation as listed in the letter to household

Then, a determining official from the sponsor will use one of the following to determine participant eligibility:

- Categorical eligibility; or
- Household size and income information

If a sponsor determines that a provider is *income or categorically eligible* for Tier I status, providers do not need to verify individual eligibility for nonresident and resident children. Meals for all enrolled children will be claimed at the Tier I rate.

The determining official must sign and date the *CACFP Meal Benefit and Income Eligibility Form* (Child Care), acknowledging receipt, review, and completion.

4233 Categorical Eligibility

Sponsors determine *categorical eligibility* of providers or participants via:

- Information parents/guardians submit on the *CACFP Meal Benefit Income Eligibility Form (Child Care)* regarding participation in qualifying programs outlined in this section; or
- Documentation consisting of official evidence, available to the provider or sponsoring organization, and in the possession of the sponsoring organization, of the household's or child's participation in a qualifying program.

NOTE: Providers will **not** automatically qualify for a Tier I status if the provider lists a resident foster child or a child enrolled in Head Start, Even Start, Early Head Start, or some Programs listed in Form *H1660* (with the exception of SNAP, TANF, or FDPIR). While the individual child will automatically qualify for higher reimbursement if participating in one of the above programs, the household must demonstrate that it meets income requirements or participation in one of the federal qualifying programs, as described in *Categorical Eligibility via Qualifying Programs* in order to be classified as a Tier I provider.

4233.1 Categorical Eligibility via Qualifying Programs

Providers and individual enrollees are categorically eligible for Tier I⁵/Tier II High reimbursements if they receive one of the following federal or state financial assistance and complete the Benefits section of the *CACFP Meal Benefit Income Eligibility Form* with the required information listed below:

- Temporary Assistance for Needy Families (TANF)
 - TANF Number –
 - a nine-digit Eligibility Determination Group (EDG) number beginning with any number “0 - 9” or
 - an eight-digit EDG number beginning with any number “1-9”, but not a zero

⁵ Providers applying for Tier I status must submit additional supporting documentation showing proof of participation in any qualifying program, including SNAP, TANF, and FDPIR.

- Supplemental Nutritional Assistance Program (SNAP)
 - SNAP number –
 - a nine-digit EDG number beginning with any number “0 - 9” or
 - an eight-digit EDG number beginning with any number “1-9” (i.e., not 0)
- Food Distribution Program on Indian Reservation (FDPIR)
 - FDPIR case number
- Qualifying Federal/State Program (as listed in Form H1660)
 - Household must provide the name and eligibility number (if applicable) on the *CACFP Meal Benefit Income Eligibility Form* and official evidence of the household's participation in the qualifying program.
 - Providers seeking Tier I qualification by qualifying in any of these programs must provide documentation consisting of official evidence of the household's participation in a qualifying program.
 - Note that some Programs listed **only** confer eligibility to the child enrolled in the qualifying Program and not to other children in the household or the household itself.

NOTES:

- Electronic Benefits Transfer (EBT) or Lone Star Card account numbers are not acceptable SNAP numbers. If provided, CEs/sites must contact the applicant for the valid SNAP or TANF eligibility number.
- Award letter copies (Form H1009) are not acceptable eligibility documentation.

4233.2 Categorical Eligibility for Foster Children

Foster children formally placed by the State or a court are categorically eligible for Tier I/Tier II High reimbursement (including enrolled resident foster children). Sites must obtain the Texas Department of Family and Protective Services (DFPS) Form 2085FC, Placement Authorization Foster Care/Residential Care from the household to validate eligibility.

NOTES:

- Verified foster children do not need further application forms or proof of eligibility.
- If Form 2085FC is unavailable, the household may complete a *CACFP Meal Benefit Income Eligibility Form* for the foster child/children.

Households with both foster and non-foster children may include the foster child/children as household members, as well as any personal income earned by the foster child/children, on the same *CACFP Meal Benefit Income Eligibility Form* that includes non-foster children, if the addition of the foster child/children as household members helps the household's children qualify for Tier I reimbursement.

Any of the above information can be submitted:

- **By Households of Enrollees in Tier II Homes, including resident children**, only if the provider has chosen for sponsors to determine individual eligibility of enrollees.
- **By Area-Eligible Tier I Providers**, if the provider wishes to establish a *resident foster child's* eligibility for Tier I reimbursements

NOTE: Categorical eligibility of a foster child only applies to the *individual child* for whom documentation is submitted and does not automatically extend to other household children or the provider itself. A provider cannot qualify as a Tier I provider because a foster child resides at the home.

4233.3 Categorical Eligibility for Homeless Children

Children designated as homeless are categorically eligible for Tier II High reimbursement. Sponsors can get verification of the child's homeless status from the:

- School district homeless coordinator,
- Homeless liaison (in cases where a liaison assisted a homeless child or children in moving in with another household),
- Application from the Health and Human Services Commission with case number showing receipt of Disaster Supplemental Nutrition Assistance Program (D-SNAP), or
- Adult member of the child's temporary household
 - The adult member would complete the *CACFP Meal Benefit Income Eligibility Form* and designate the child or children "homeless."

Categorical eligibility for the homeless child/children does not convey eligibility to the other non-homeless children in the household. Sponsors must make a determination of eligibility for the remainder of the household based on the household's income or participation in a qualifying program. However, families hosting children or displaced families can include the displaced family members and any income they receive when applying for eligibility based on household income.

Children designated as homeless will remain eligible for Tier II High reimbursement for the entire eligibility period (see *Eligibility Effective Date and Determination Duration* below).

4233.4 Early Childhood and Family Programs

Children enrolled in a Head Start Program (HSP), Early Head Start Program (EHSP), or Even Start Family Literacy Program (if not yet in kindergarten) are categorically eligible for Tier I/Tier II High reimbursement. However, this categorical eligibility does not automatically extend to other household children not enrolled in these programs or to the provider overall.

To document that a child is categorically eligible based on Head Start, Early Head Start, or Even Start participation, the parent/guardian or provider must provide the sponsor with a certification letter signed and dated by an authorized employee of the applicable program certifying enrollment. The certifying letter for the Even Start Program must also attest that the child has not yet entered kindergarten.

The certification letter is sufficient documentation to determine a child's eligibility for Tier I reimbursement, and the sponsor would not need to obtain a *CACFP Meal Benefit Income Eligibility Form* for the child.

The Head Start/Early Head Start/Even Start certification letter must be retained as part of the CACFP records and must be available for inspection during a CACFP review, audit, or other official visit.

A child's categorical eligibility based on participation in Head Start/Early Head Start/Even Start must be updated annually. Therefore, the parent/guardian or provider must provide the certification annually.

If the parent/guardian or provider does not submit a copy of a current Head Start/Early Head Start/Even Start certification letter to annually renew eligibility, sites must ask the parent/guardian to complete a *CACFP Meal Benefit Income Eligibility Form*.

4234 Income Eligibility

If categorical eligibility cannot be determined, or for households with participants that are **no longer** categorically eligible for the current Program Year, sponsors can determine Tier I provider/resident child eligibility or Tier II High participant eligibility if provider/participant household incomes meet the federally published income eligibility thresholds posted annually on [SquareMeals.org](https://squaremeals.org).⁶

To determine income eligibility, sponsors must verify current income and sources of each household member, including any income earned from children enrolled in child care.

If income is received at different frequencies (e.g., one member receives weekly income, another monthly), use these calculations to obtain **annual income** for eligibility determinations:

- Multiply monthly income by 12
- Multiply bi-weekly income by 26
- Multiply weekly income by 52
- Multiply bi-monthly income by 24

NOTE: Do not round the result.

⁶ TDA annually posts updated income eligibility standards before July 1 here: <https://squaremeals.org/FandN-Resources/Income-Eligibility-Guidelines>

4234.1 Excluded Income

Sponsors **must not** include the following from income when determining income eligibility:

Excluded Income from Federal Programs	
Category	Description
SNAP, WIC, Child Nutrition Benefits	Value of assistance to children and their families under the Richard B. Russell National School Lunch Act (NSLA), the Child Nutrition Act (CNA) of 1966, and the Food and Nutrition Act of 2008
Housing assistance	<ul style="list-style-type: none"> • Reimbursements from the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 • Payments received under the Cranston-Gonzales National Affordable Housing Act, P.L. 101-625 • Payments received under the Housing and Community Development Act of 1987
Volunteer payments	<ul style="list-style-type: none"> • Any payment to volunteers under title I (VISTA and others) and title II (RSVP, foster grandparents, and others) of the Domestic Volunteer Service Act of 1973 to the extent excluded by the Act • Payments to volunteers under section 8(b)(1)(B) of the Small Business Act (SCORE and ACE) • Payments and allowances to individuals participating in AmeriCorps to the extent excluded by the National and Community Service Act of 1990
Child care assistance	<ul style="list-style-type: none"> • The value of any child care provided or arranged, or any payment or reimbursement for costs incurred for such care, under the Child Care and Development Block Grant Act, as amended by section 8(b) of P.L. 102-586, 106 Stat. 5035 • Value of any “at-risk” block grant child care payments made under section 5081 of P.L. 101-508, which amended section 402 of the Social Security Act
Old age assistance	Payments received under the Old Age Assistance Claims Settlement Act, except for per capita shares over \$2,000
Student financial aid	<ul style="list-style-type: none"> • Student financial assistance received under Title IV of the Higher Education Act of 1965, including the Pell Grant, Supplemental Education Opportunity Grant, State Student Incentive Grants, National Direct Student Loan, PLUS, College Work Study, and Byrd Honor Scholarship Programs, to the extent excluded by the Act

	<ul style="list-style-type: none"> • Payments received under the Carl D. Perkins Vocational Education Act, as amended by the Carl D. Perkins Vocational and Applied Technology Act Amendments of 1990, P.L. 101-392
Disaster assistance	<ul style="list-style-type: none"> • National Flood Insurance Program (NFIP) payments received by property owners • Payments under the Disaster Relief Act of 1974, as amended by the Disaster Relief and Emergency Assistance Amendments of 1989, P.L. 100-707
Utility assistance	Payments under the Low-income Home Energy Assistance Act, P.L. 99-125
Military compensation	<ul style="list-style-type: none"> • Payments under the Agent Orange Compensation Exclusion Act, P.L. 101-201 • Family Subsistence Supplemental Allowance (FSSA) • Veteran’s Educational Assistance Act of 1964 (GI Bill). • Privatized housing allowances to service members living in housing covered under the Military Housing Privatization Initiative. (See: Department of Defense (DOD) Military Housing Privatization, http://www.acq.osd.mil/housing/)
Combat pay	<ul style="list-style-type: none"> • Deployment Extension Incentive Pay (DEIP), which is given to active-duty service members who agree to extend their military service by completing deployment with their units without re-enlisting. This exemption applies only until the service members return to their home station. DEIP payments provided to service members who are not considered deployed are not exempt. • Also exclude combat pay when it is: <ul style="list-style-type: none"> ○ Received in addition to the service member’s basic pay, ○ Received as a result of deployment to or service in an area that has been designated as a combat zone, <u>and</u> ○ Not received by the service member before deployment to or service in the designated combat zone
Land payments	Income derived from certain sub-marginal land of the U.S. that is held in trust for certain Indian tribes
Institutionalized child’s income	Payments from any source directly received by a Residential Child Care Institution (RCCI) or institution on a child’s behalf are not considered as income to the child

Lump sum payments	<ul style="list-style-type: none"> • Lump sum payments or large cash settlements are not counted as income since they are not received regularly. These funds may be provided as compensation for a loss that must be replaced, such as payment from an insurance company for fire damage to a house • NOTE: When lump sum payments are put into a savings account and the household regularly draws from that account for living expenses, the amount withdrawn is counted as income
In-kind benefits	In-kind benefits (housing for clergy, cars for salespersons, employee medical or dental benefits, etc.) are not cash payments and, therefore, are not considered as income to determine free and reduced price eligibility. School officials are not in a position to assess the value of in-kind benefits
Other Excluded Income	
<ul style="list-style-type: none"> • Credits received from Earned Income Tax Credit (EITC). • Payments received from a foster care agency or court for the care of foster children • Loans, such as bank loans, since these funds are only temporarily available and must be repaid • Infrequent earnings received on an irregular basis, such as payment for occasional babysitting or yard work 	

NOTE: This list is not all-inclusive, as legislation may exclude additional income types. Sponsors should periodically check the Appendix to *Subpart K of Part 416 – List of Types of Income Excluded under the SSI Program as Provided by Federal Laws Other Than the Social Security Act*:
http://www.socialsecurity.gov/OP_Home/cfr20/416/416-app-k.htm

Providers associated with corporations may receive corporate wages rather than self-employment income. These providers may also receive dividends if they are shareholders of the corporation. Providers associated with corporations must include both wages and dividends received from the corporation as household income.

Providers are not required to keep records of their CACFP operating costs. However, providers seeking reimbursement for meals served to their own children must report all CACFP reimbursements received as household income, unless they choose to keep records of operating costs to justify an adjusted income amount.

4234.2 Deployed Military Members

Determining Household Size

When determining household size, families should consider deployed service members as household members, whether they are deployed temporarily or for an extended period. For children staying at a temporary residence while both parents/guardians are deployed, count these children as part of the temporary household with whom they are residing, and also include the deployed parents or guardians in the host household's count.

Determining Household Income

When determining household income, families should count only the portion of a deployed service member's income that is made available to the household.

Sponsors should instruct households to include deployed service members' names and the portion of their income available to the household on the *CACFP Meal Benefit Income Eligibility Form* (Child Care).

When determining income eligibility for military families, sites:

Include the following in calculations:

- Base pay
- Regular housing allowance
- Subsistence
- Clothing allowance
- Hazardous duty
- Hostile fire
- Flight pay
- Incentive pay

Do not include any income sources listed in *Excluded Income* above.

4235 Verification of Eligibility

Prior to approving an application for a provider that qualifies as Tier I, sponsors must conduct verification of the information provided on the *CACFP Meal Benefit Income Eligibility Form*. As such, if a provider is attempting to qualify based on household income, they should provide supplemental documentation supporting the income listed. If attempting to qualify based on participation in a qualifying program, the provider should submit dated documentation (such as a "Notice of Eligibility" or a certification) showing current eligibility in the qualifying program.

Sponsors may also verify the information on applications submitted by households of children enrolled in Tier II homes. In this case, if a SNAP, FDPIR, or TANF case number is provided for a child, verification must include only confirmation that the child is included in a currently certified SNAP or FDPIR household or is a TANF recipient.

Sponsors may verify the provider's reported information using written documents such as pay stubs, employer letters, IRS tax information (e.g., Form 1040), award letters, or through collateral contacts. They must retain all documentation used to verify income or categorical eligibility.

If sponsors use collateral contacts to verify income eligibility for providers, they must retain a written record that includes the name and telephone number of the contact and the date of contact.

4236 Eligibility Effective Date and Determination Duration

Sponsors may choose one of two methods listed below to determine Tier I/Tier II High eligibility duration. The effective month of the Tier I/Tier II High determination is determined by one of the following

- Signature date of the sponsor's *determining official* or
- Signature date of the *provider or household*

Sponsors must select one method for *all* eligibility determinations and document this decision in their eligibility determination processes.

IMPORTANT: If the provider or household signature is *not within the same month or the month before* the determining official's signature, sponsors *must* use the determining official's signature date to assess validity.

The effective date of a provider or child's eligibility may be adjusted to the first of the month in which the eligibility determination is made. Eligibility is current and valid for one year, through the last day of the month in which the determination was made one year prior.

EXAMPLE: If the sponsor is using the date of parent signature to determine eligibility, a meal benefit income eligibility form signed and dated by a parent in February 2026, but certified by a sponsor in March, would be valid effective February 1, 2026, until February 28, 2027.

However, if the form signed in February was received and certified in April, meaning there was a delay in either submitting or certifying the form through the entire month of March, the form is valid effective April 1, 2026, through April 30, 2027. Because the date of the parent's signature is not within the month of certification or the immediately preceding month, the effective date must be the date of certification.

During the eligibility period, households are not required to report changes impacting eligibility (e.g., income increases, household size decreases, loss of eligibility for SNAP, TANF, FDPIR).

4237 Notification of Tier Determination

Sponsors must use TDA's *Notice to Providers of Tier Determination* (H1659)⁷ form to notify providers of their Tier status. Because notice of Tier II designation is considered an adverse action, sponsors must notify providers of Tier II determination via certified mail with return

⁷ Located on the CACFP Administration/Forms page of SquareMeals.org.

receipt requested unless approved by TDA to use an alternate method.⁸ Sponsors must provide appeal rights with the notice of Tier II determination.

4238 State Agency Verification Responsibilities

During an Administrative Review, TDA will review *CACFP Meal Benefit Income Eligibility Forms* (or other documentation, if vouchers or other documentation are used in lieu of free and reduced price applications) **only** for those applications that classify a provider or participant as Tier I/Tier II High. TDA will only review applications on file for the providers that are required to be reviewed when the sponsor is reviewed.

However, TDA will ensure that the providers selected for review are representative of an appropriate proportion of Tier I homes, Tier II homes claiming all meals at Tier II Low, and Tier II homes claiming both Tier II High and Low meals, and will ensure that at least 10 percent of all free and reduced-price applications (or other documentation, if applicable) on file for the sponsorship are verified. The review of applications shall ensure that:

- The application has been correctly and completely executed by the household;
- The sponsor has correctly determined and classified the eligibility of enrolled participants for free or reduced price meals; and
- The sponsor has accurately reported to TDA the number of enrolled participants meeting the criteria for Tier I/Tier II High eligibility.

4138.1 Actions Resulting from State Agency Verification

If verification results disclose that a sponsor has inaccurately classified or reported the number of providers/participants classified as Tier I/Tier II High, TDA will adjust the sponsor's rates of reimbursement retroactive to the month in which the incorrect eligibility figures were reported by the sponsor to TDA.

If the verification results indicate that a household has not provided accurate documentation on the application to support continued eligibility for Tier I/Tier II High meals, TDA will adjust the sponsor rates of reimbursement. However, the adjustment will not take effect until the affected providers have been notified and any ensuing appeals have been heard.

4240 Participant Enrollment

Each year, day care homes must collect enrollment information from the parents or guardians of every participant. Sponsors and providers must maintain proof of proper enrollment for all participants receiving reimbursable meals.

Sponsors and providers **must not** claim meals for participants with incomplete or missing enrollment documentation.

⁸ Sponsors currently using a TDA-approved, alternate method to notify providers of meal disallowances may use the same process for Tier determination notifications without submitting another request for approval.

4241 Required Enrollment Information

To properly enroll participants, the provider must provide enrollment forms that allow parents and guardians to indicate or enter the following information:

- Child's name
- Child's date of birth
- Enrollment and withdrawal dates
 - The withdrawal date field must only be completed when the child withdraws from the day care home.
- Meals and/or snacks normally served to the child while in care
- Normal days and hours of care for the child
- Signature of the child's parent or guardian
- Date of signature

Parents or guardians must provide this information for their child(ren). Therefore, while providers may *include* the provider's operational days, hours, or offered meals in enrollment documentation, they *must* collect the required information for each child. Providers may not pre-populate this information in documentation.

Sponsors /providers can use the example below to collect this information:

Meals/snacks normally served to my child while in care (circle all that apply):
Breakfast AM Snack Lunch PM Snack Supper Evening Snack
Days and hours my child is normally in care:
Days (circle all that apply): M T W TH F Hours: _____ am to _____ pm

Sponsors/providers may use the Texas Department of Family and Protective Services (DFPS) Form 2935 *Admission Information – Centers*, which typically contains all required enrollment information. However, sponsors are responsible for ensuring that whichever form is used contains all required enrollment elements described in this section.

4242 Parent or Guardian Signature

Parents or guardians must complete, submit, and then sign enrollment documentation.

Providers may collect enrollment information electronically if they have the means **to capture an electronic signature** or can print the completed document(s) for the required signature. For example, a provider may input required information as it is provided by a parent/guardian, but in that case, the provider must have a means of providing the enrollment documentation to the parent/guardian for review and obtaining that individual's required signature. After the parent or guardian has signed the enrollment documentation, sponsors/providers must not add to or alter the information presented.

4243 Enrolled Resident Children

TDA defines “resident children” or “providers’ own children” as:

- Part of the provider household economic unit of the family (See Section 9000 for definitions of economic unit and family), and
- Properly enrolled in the day care home to be claimed.

As noted earlier in this section, Tier I and Tier II providers can only receive reimbursement for meals served to resident children if the child is determined to be income or categorically eligible for free or reduced-price meals. Tier II providers **will not** receive Tier II Low reimbursement for any resident children not eligible for free or reduced-price meals.

Additionally, there **must** be enrolled **nonresident** children participating and claimed in the same meal service in order to claim meals for resident children.

4244 Annual Updates to Enrollment Information

Annually, providers must ask parents or guardians to review enrollment information, make necessary changes, and provide a *new* signature and date.

To fulfill this requirement, sponsors/providers must:

- Provide previous enrollment documentation for parents/guardians to review all information, indicate changes, sign, and date again, OR
- Have parents/guardians complete entirely new enrollment forms, providing all required information.

Sponsors/providers may **not** provide and accept **only** an attestation form stating that no information has changed; all enrollment documentation must be reviewed by parents/guardians before any such attestation will be accepted.

4250 Documentation and Reporting

Sponsors must maintain and submit to TDA:

- The number of Tier I and II providers
- The number of children enrolled by Tier I and II providers
- The number of children at Tier II providers classified as Tier II High and Tier II Low
- All documentation used to determine Tier eligibility

No later than April 1st of each year, sponsors must also submit to TDA a list of providers claiming categorical eligibility based on the provider’s eligibility for SNAP.

The list must include:

- Categorically eligible Tier I providers qualifying for Tier I status based on the provider’s SNAP participation

- Area-eligible Tier I providers whose resident children qualify for Tier I reimbursement based on the provider’s SNAP participation
- The name of the provider
- The address of the provider
- The SNAP number for each provider

4260 Confidentiality

While sponsors may enlist providers to obtain eligibility information and documentation from households, the sponsor must not disclose the final eligibility determination for children enrolled at the provider. Sponsors may, however, share with providers the *number* of eligible Tier II High and Tier II Low children.

Sponsors and providers must protect data privacy and confidentiality by:

- Ensuring that staff receiving eligibility information (from households or other sponsors) understand they cannot share it with any other entity outside of what is described in this section.
- Securely storing information and limiting access to essential personnel.
- Not releasing information containing participant names or other individual information (except as outlined in *Sharing Eligibility Information between Child Nutrition Programs* below).

When requested (for example, in surveys conducted by USDA or other organizations collecting CACFP data), sponsors *may* release summary information, such as the number of participants eligible for benefits, *except* when disclosure would allow participant identification.

4261 Sharing Eligibility Information between Child Nutrition Programs

Sponsors may need to determine enrolled children's eligibility for Tier II High reimbursement by requesting information from another CE (such as a School Food Authority). CEs operating other Child Nutrition Programs (CNP), such as the National School Lunch Program/School Breakfast Program (NSLP/SBP) **may** disclose children’s names and eligibility information, including eligibility status, to **persons directly connected**⁹ with administering other Federal Child Nutrition Programs authorized under the National School Lunch Act and the Child Nutrition Act of 1966, which includes CACFP.

NOTE:

- CEs *are not required by law* to disclose information to another CE.
- CEs *are not required* to give prior notice or receive household consent before sharing information; therefore, the information is subject to the same confidentiality and disclosure requirements as information obtained directly from households.

⁹ Persons directly connected with administering another Child Nutrition Program include individuals who legitimately need to know eligibility information to carry out program responsibilities. For example, the sponsor representative responsible for determining children's eligibility would have a clear “need to know”, while an individual serving meals would not.

CEs either requesting information from or providing information to another CE must:

- Document that the eligibility information applies to the specific child in question; and
 - Share the minimum amount of information to identify the child.
 - In some cases, share additional information to ensure the determination applies to the specific child.

EXAMPLE: A sponsor documenting income eligibility for child “John Smith” may need to provide the child’s date of birth so the CNP can verify the information applies to the correct “John Smith.”

- Verify the source/validity of the information

EXAMPLE: Document the organization’s name, the person providing information, the date obtained, and the sponsor or provider representative who obtained the information.

Sponsors may document eligibility information shared in writing (preferred) or verbally. Both are sufficient to verify information.

Sponsors may use TDA’s *Shared Eligibility Form* (at <https://www.squaremeals.org> → CACFP Administration and Forms) or their own version to document shared eligibility. They can provide the form to the other CE for completion or complete it themselves based on verbal information received.

Sponsors must document the following:

- Name of CE providing the information
- Telephone number of the CE providing the information
- Date information is obtained
- Name of CE representative providing the eligibility information
- Name of child
- Child’s eligibility category
- Printed name, title, signature, and date of signature of CE’s representative

Sponsors must maintain control over eligibility information and guard against improper disclosure.