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Department of Education & Early Development

Division of Teaching & Learning Support

ALASKA CHILD NUTRITION SERVICES POLICY

Subject: Determination of Income Eligibility and Permanent Fund Dividends
Date: September 5, 2008
To: All Agencies participating in the Child and Adult Care Food Program (CACFP)
From: Linda Coate, State Program Coordinator, Alaska Child Nutrition Services

According to the USDA Federal Policy Manual, *Eligibility Guidance for School Meals*, <http://www.eed.state.ak.us/tls/cns/pdf/EligibilityManualforSchoolMeals.pdf>, and page vii for statutory and regulatory authority, Alaska Child Nutrition Services is issuing this state policy.

Income eligibility for CACFP is based on household income and the receipt of the Permanent Fund Dividend (PFD) is part of that income. The calculation of household income has been done in various ways in the past, using monthly income calculations and using either the previous year's PFD or the current PFD, depending on the timing of the calculations.

Effective immediately all sponsors must use the Permanent Fund Dividend (PFD) received the previous calendar year to calculate income eligibility. Until December 31, 2008 the 2007 PFD is used to calculate annual income. As of January 1, 2009 the 2008 PFD is required for calculation.

In addition, beginning January 1, 2009, all households receiving a PFD must now have income converted to annual income to determine eligibility. This requires adding the PFD to income from all sources for a total annual income.

This is done by multiplying income received:

- Weekly by 52
- Every two weeks by 26
- Twice a month by 24
- Monthly by 12

Only if *no* PFD is received by any family member, may income be calculated according to the frequency received. In this case all income must be received in the same frequency, such as weekly or monthly.

For additional guidance USDA has advised the use of the Eligibility Manual for School Meals, January 2008. This guidance is applicable to all meal reimbursement programs and may be found at <http://www.eed.state.ak.us/tls/cns>.