

## Unpaid Meal Charges – Guidance and Ideas

**Written Unpaid Meal Charge Policy:** By July, 2017, Sponsors must have a written policy on meal charges.

**Sponsor-Developed Policy Must:**

- Be provided in writing to all households at the start of each school year and to families that transfer into the district/school.
- Be communicated to all district/school staff responsible for enforcing any aspect of the policy.
- Be maintained in records including the written policy and how it is communicated to households and staff.
- Obtain approval of the policy from the local school board.

**Sponsor-Developed Policy Should:**

- Allow children to receive nutrition needed to stay focused during the school day.
- Minimize the overt identification of children with insufficient funds.
- Focus primarily on parents and guardians responsible for providing funds for meal purchases.

**Sponsor-Developed Policy May:**

- Include different procedures for age grade groups.
- Describe practices for notifying parents or guardians.
- Determine the account balance level when parents will be notified and how they will be notified.
- Impose a meal or monetary limit on charges or not allow any meal charges.
- Define how long household can carry a delinquent debt.
- Outline measures for collecting delinquent debt.
- Implement a timeline and procedure for converting collectable delinquent debt to uncollectable bad debt.
- Describe the process for restoring the food service account with non-federal funds for bad debt.

**Written Policy Best Practices:**

- Provide clear wording to describe what happens when a negative student account balance occurs.
- Consult with administrators, teachers, counselors, food service professionals, and school board members when developing the policy.
- Disseminate the policy using multiple channels such as enrollment packets, application for free and reduced meal packets, handbooks, website, and contacts with households when balances are low or negative.
- Develop a policy that protects the health and well-being of children and limits child distress.

**Delinquent Debt:** Delinquent debt is unpaid meal charges when payment is overdue as defined by local meal charge policy.

**Sponsors MUST:**

- Make reasonable efforts to collect delinquent debt within a reasonable timeframe.
- Determine the process and timeframe for collecting delinquent debt and include in the written policy.

**Sponsors SHOULD:**

- Ensure collections efforts do not have a negative impact on the children involved.

**Sponsors MAY:**

- Carry delinquent debt over to the next school year.
- Work with families to establish a payment plan.
- Use food service funds for collection efforts when cost effective.
- Pursue collection efforts when children change schools within the district or move to a new school outside the district.

**Delinquent Debt Best Practices:**

- Have systems and processes in place to collect delinquent debt and describe these in the written policy.
- Communicate with parents and guardians to resolve delinquent debt and minimize communication directly with children.

**Bad Debt:** Bad debt is delinquent debt determined to be uncollectable or too costly to collect and is an unallowable expense for the food service account.

Sponsors **MUST:**

- Determine when delinquent debt is uncollectable and will be considered as bad debt;
- Transfer funds for bad debt to the food service account from non-federal sources;
- Assume the costs of on-going collection and legal fees if applicable;
- Maintain records related to bad debt.

**Prevent Unpaid Charges:** Sponsors are encouraged to put in place processes to prevent or limit unpaid meal charges.

**Reach** all students eligible for free and reduced meals.

- Make applications for free and reduced price meals available through multiple channels within the district/school and the community throughout the calendar year.
- Offer assistance to families in completing applications.
- Transfer eligibility determinations from previous sponsors.
- Utilize certification date flexibility for applications and direct certification.
- Notify families of option to submit a new application if household circumstances change.

**Provide** convenient, ways for families to put money into student accounts.

- Have a prepayment system available including online and cash payment options.
- Provide incentives such as prize drawings for families who opt to pre-pay for meals.
- Allow families to check their account balance online at no cost.
- Allow parents or guardians to limit the amount of funds a student could use daily, particularly for a la carte purchases.
- Allow families to set up payment plans for unpaid charges.

**Remind** families to maintain positive account balances using multiple channels.

- Written, discreet, payment notices via email.
- General payment reminders included in newsletters to all families.
- Verbal call from school officials or robo-call system.
- Automated notification from online payment systems when balances reach a low level. With household authorization, automated reminders may be sent as text messages.
- In person contact from a trusted school official. Meal charges may be a sign of other challenges facing a family.
- Send meal payment reminders with other outstanding payment reminders such as fees to streamline communication between schools and families.

**Resources**

- Overcoming the Unpaid Meal Challenge, USDA-FNS 9/16/2016
- SP 46-2016 Unpaid Meal Charges: Local Meal Charge Policies



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