**Attachment E, Memo No. 070-17**

 **March 10, 2017**

**Virginia Department of Education Sample Meal Charge Policy Template**

This document can be used as template for the required unpaid meal charge policy or standard practice guidance. The required elements are listed. Examples of acceptable practices are included, but are neither required nor all inclusive. The School Food Authority is ultimately responsible to ensure that the plan complies with all Federal Regulations.

Division Name\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Policy:**

Policy for Students with Insufficient Funds for School Meals and Delinquent Accounts in the School Nutrition Program (aka Meal Charge Policy OR Unpaid Meal Charge Policy).

**Regulations:**

2 CFR Part 200 Section 143 of the Healthy, Hunger-Free Kids Act of 2010.

The National School Lunch and School Breakfast Programs are integral in ensuring that students have access to nutritious meals to support their academic success. It is also imperative to protect the financial stability of school nutrition program.

The intent of this policy is to establish a process and procedure to handle situations when children eligible for reduced-price or full-price meal benefits have insufficient funds to pay for school meals; as well as for the collection of unpaid meal charges and delinquent account debt.

**Requirement:**

All school food authorities (SFAs) must develop a written policy for children eligible for reduced-price of full-price meals that do not money for pay for meals at the time of service and communicate the policy to all students and households by the beginning of the 2017-2018 school year.

Example:

1.a Students who qualify for free meals will not be denied a reimbursable meal even if they have accrued a negative balance on their cafeteria account.

1.b Students who have money to pay for a reduced-price or full price meal at the time of service must be provided a meal. If the student intended to use the money for that day’s meal, the SFA will not use the money to repay a negative balance or other unpaid meal charge debt.

1.c Students without funds to pay for a reduced-price or full price meal are OR are not allowed to charge Breakfast OR Lunch OR Breakfast and Lunch.

1.d Students are allowed to charge \_\_\_\_ number or meals AND/OR $\_\_\_\_\_\_ dollar amount.

1.e Students who charge a meal will receive a reimbursable meal.

**Requirement:**

The policy must be communicated to all students and households by the beginning of the 2017-2018 school year. SFAs must document methods of communicating the policy to households and training of staff responsible for policy enforcement.

**Communicating the Policy**

Example:

2.a The written meal charge policy will be communicated to the household by posting on the \_\_\_\_\_\_ division website, including in the student information packet distributed on the first day of school and to all transfer students during the school year, and attaching to the Meal Benefits Application.

2.b The written meal charge policy will be communicated to all division staff prior to the first day of school.

2.c Child Nutrition Program staff will receive training on meal charge policy and record of training will be maintained as part of the professional development portfolio.

2d. Documentation of the communication and training plan will be maintained for the Federal Program Administrative Review.

**Notifying the Household of Low or Negative Balance in Student Cafeteria Account**

3.a The student’s household will be notified when a student’s cafeteria account falls below $\_\_\_\_\_\_ (dollar amount) OR the equivalent of \_\_\_\_\_\_ (number of lunches/meals charged).

3.b The SFA will notify households of low or negative balances. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (describe procedure: letters via US mail, email, letters sent home with student, how letters are generated)

3.c Notifications to households will include the amount of unpaid meal charges, expected payment dates, the consequences of non-payment and where to go for questions or assistance.

3.d The consequences of non-payment will be determined on a case-by-case basis.

3.e The persons responsible for managing unpaid meal charges are:

* 1. SNP school-based staff will collect payment for meals at the POS.
	2. SNP central office will contact households.

**Requirement:**

Collection of delinquent meal charge debt must also be included in the written meal charge policy.

**Delinquent debt is allowable in the School nutrition program and may be carried over to one successive school year.**

Example:

4.a. The student’s household will be notified after \_\_\_\_\_ (how many) days before repayment request.

Bad debt is defined as delinquent debt that is deemed uncollectible at the end of the school year. Bad debt is unallowable in the SNP and cannot be carried over to the next school year. Funds resulting from bad debt cannot be recovered using SNP funds and must be offset by non-federal sources.

Example:

5.a. At the end of the school year, the SNP Director and the Finance Director will evaluate all delinquent debt for conversion to bad debt. Bad debt will be restored to the SNP from the general fund prior to the end of the same fiscal year.

5.b Efforts to collect delinquent and/or bad debt will be handled by:

1. \_\_\_\_\_\_\_\_\_\_ Send First and Second Letters
2. \_\_\_\_\_\_\_\_\_\_ Phone calls
3. \_\_\_\_\_\_\_\_\_\_ Notice of Adverse Action/potential collections
4. \_\_\_\_\_\_\_\_\_\_ Consequence

**Assistance to Households**

Households with questions or needing assistance may contact the school office where their student attends or the School Nutrition Program office at: (phone, address, email).

**Collection procedures for Delinquent and Bad Debt- Adverse Action**

(School division will determine local policy for recovering debt through a collection process. Funds from the SFA account may be used to pay for costs associated with a collection agency.)

Example:

6.a. When a household has reached threshold of \_\_\_\_ number or meals and/or $\_\_\_\_\_\_ dollar amount, collection procedures will be initiated.

6.b. Household will receive a Notification/Notice of Adverse Action stating collection procedures have begun.

 6.c. If payment is not received:

\_\_\_\_\_\_ (define consequences).