

Standard Operating Procedure: Elementary School Meal Charges and Bad Debt

Purpose: To provide food service personnel a consistent manner of handling student charging, students without money for meals, and account repayments. The United States Department of Agriculture (USDA) requires school food authorities to establish written administrative guidelines and procedures for meal charges.

Scope: This procedure applies to school nutrition managers, food service cashiers, and district food and nutrition personnel.

Instructions:

1. The School City of Hammond operates lunch with the Community Eligibility Provision (CEP) and therefore every elementary school student receives a free lunch.
2. All cafeteria purchases (ex: a la carte items) are to be prepaid before meal service begins either by credit or debit card or EFT using the foodservice online payment system, by cash using the payment kiosks in the secondary school dining rooms, or by check or cash in the individual school foodservice office.
3. Staff members are not allowed to carry negative balances.
4. A student who has a zero or negative balance may not purchase "a la carte" item(s), including extra main entrees.
5. The kitchen manager or other school personnel will coordinate communications with the parent(s)/guardian(s) to resolve the matter of unpaid charges that are the result of unpaid meal charges prior to the start of the School City of Hammond's CEP.
 - a. The automated call system will notify parents every Wednesday of any outstanding negative balance in the foodservice account.
 - b. The foodservice manager will also send home letters each week to parents of students who carry negative balances \$6.00 and above.
 - c. School Messenger will send out an automated weekly email alert regarding negative balances when an email address has been provided
6. Negative lunch account balances that are not collected in the year when the debt was incurred shall be classified as bad debt. Bad debt incurred through the inability to collect food service payment from students is not an allowable cost chargeable to any Federal program. Once classified as bad debt, non-Federal funding sources shall reimburse the food service program account for the total amount of the bad debt. If funds to reimburse the Department of Food and Nutrition for this bad debt are not available from another source, such as school or community organizations (like the PTA) or any other non-Federal source, the funds to reimburse the school lunch program shall be

transferred from the School City of Hammond's general fund or other State or local funding to make the reimbursement.

7. A request for refund on positive account balances will be granted with a written request within 60 days of the end of the school year, or 60 days after the date the student leaves the School City of Hammond. After 60 days, inactive account balances will be closed and the funds will no longer be available.
 - a. Funds remaining in active students' meal accounts at the end of each school year will automatically be applied to the students' balance for the next school year

Date Implemented: 08/19/2015 (Julie Boettger, Director)

Date Reviewed: 12/27/2016 (Julie Boettger, Director)

Date Revised: 6/20/2017 (Christine Clarahan, Director)