

Western Placer Unified School District - Nutrition Services Unrecovered, Delinquent and Bad Debt Procedures and Practices

Western Placer Unified School District distinguishes (under federal guidelines) bad debt and unrecovered or delinquent debt as separate categories:

- **Unrecovered or delinquent debt** refers to meal charges that have not been paid by the student's) or parent(s) during the school year
- **Bad debt** is unrecovered/delinquent debt that, after all reasonable steps have been taken, has not been recovered by, or before, the end of the school year in which the debt was incurred.

Western Placer Unified School District:

- Will not overtly identify students with unrecovered/delinquent debt.
- Will comply with the cost principles set forth in 2 CFR, Part 200, Subpart E and fully document collection costs & procedures.
- Will ensure that the cost to recover the unpaid meal charges cannot exceed the actual debt owed, e.g., if a student has a debt of \$5, the WPUSD will not spend over that amount to collect the debt.
- Will ensure that the WPUSD child nutrition program collection procedures are consistent with the District's collection procedures

Debt Collection Practices:

When a student requires more money to be paid, the Food Service Department will correspond with the parent via phone calls or letters sent via mail. A backup automated email will also be sent when a student balance is negative. Parents may make payments on their students account at the School site, the Food Services Department or at the District Office. Parents may also add money to their student's account on-line through MYSCHOOLBUCKS. Parents should be aware that MYSCHOOLBUCKS may take up to 48 hours for money to post to their student's account and should plan accordingly.

After all reasonable steps have been taken to recover the unrecovered/delinquent debt, and if the WPUSD is unsuccessful in collecting the unrecovered/delinquent debt by the end of the school year, then the debt is considered bad debt and nonfederal funding sources (e.g., PTA or District General Fund) will repay the nonprofit school food service account for the total amount.



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The Food Services Director will notify the Business Director and supply documentation of the unpaid debt for reimbursable meals at the end of the school year. The Business Director will make a transfer into Fund 13 - Cafeteria Fund from the Unrestricted General Fund.

Meal Charges

Students that do not have funds to pay for a meal will be able to charge one reimbursable meal, per student, per serving period, per day.

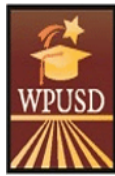
Students are not allowed to charge non reimbursable meal items (e.g., chips) to their account.

Food Service Debt Collection Procedures & Practices:

1. Once a student acquires a negative balance (up to \$10) it is the responsibility of the **Cashier/FSA** to contact the parent to notify them of their negative balance and inform them how to apply for the reduced or free meals program. The parents of students with a negative balance of \$1.75 or more will be called. **Cashier/FSA** must document their contact with the parent.
2. Once the balance is over \$10 it is the responsibility of the **Child Nutrition Clerk** to contact the parents and discuss payment. **Child Nutrition Clerk** must document their contact with the parent.
3. Once the balance is over \$20 but not more than \$50 it is the responsibility of the **Food Service Director** to contact the parents and discuss payment. **Food Services Director** must document their contact with the parent.
4. Once the balance \$50 or more the account information will be forwarded over to the **Business Director** for further collection procedures not limited to collection services.

Other Communication for Debt Collection

- Weekly emails of negatives balance will be emailed to parents through Nutrikids and MYSCHOOLBUCKS by the Food Services Department.
- On a monthly basis, a negative balance letter will be mailed to any parent that has a \$20 or more negative balance by the Food Services Department.



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Students with Unpaid Meal Debt:

For students at the secondary level (middle school/high school) with an unpaid meal debt, their negative balance meal debt will also be tracked in the Student Information System (Powerschool) at their school and monitored by the site administration. Extracurricular activities may be restricted for the student if the student has an unpaid meal debt.

Students with unpaid meal debt will not be able to purchase a la carte items (non reimbursable meal items). e.g., if a student owes \$4.00 in meal debt, they will not be able to purchase chips (a non reimbursable meal item) until the meal debt is resolved. Students will continue to be able to charge reimbursable meals to their account.

Training:

The following personnel will review the Nutrition Services Bad Debt Procedures and Practices to ensure compliance on an annual basis:

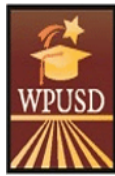
- Food Services Director
- Business Director
- Food Service Employees

The Food Services Director is to ensure every food service employee will also receive annual training on the WPUSD Nutrition Service and Bad Debt Procedures and Practices. This training is also to be provided to temporary and new employees at the time they start work in the food service program. This training is to be documented and records of this training are to be kept for review for three years. Each food service employee and substitute will be required to sign acknowledging that they have read and understand the bad debt procedures and practices.

In the event that a personnel change occurs in the positions listed above, a new hire non-program foods orientation and training will be provided to the new employee. A non-program foods training agenda and employee sign-in sheet will document each non-program foods orientation for Food Services personnel.

Policy Communication:

Starting with the 2018-2019 School Year, WPUSD unpaid meal policy will be communicated with households as part of the annual notifications to all student households. All district staff will also receive this policy as part of their annual notifications at the beginning of each year. The policy will also be posted on the WPUSD Food Services webpage.



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Acknowledgement:

WPUSD acknowledges the following:

- A. WPUSD acknowledges that they cannot charge interest to the household more than the cost of the students debt.
- B. WPUSD acknowledges that in California, unrecovered or delinquent debt becomes bad debt at the end of the school year.
- C. WPUSD acknowledges that in California, the District must use allowable non federal funds to repay the nonprofit school food services account - Fund 13 for bad debt.
- D. WPUSD acknowledges that the non federal fund transfer for bad debt must be recorded in the general ledger as an exact amount (i.e., Food Service has \$215.50 in bad debt charges, the general ledger must reflect the transfer amount as \$215.50, not \$216. Lump sum transfers are allowed.)
- E. WPUSD acknowledges that they cannot allow unauthorized persons (volunteers, parents, non-district staff) to follow up with payment reminders or debt collection efforts related to unpaid meal charges.
- F. WPUSD acknowledges that there are only two exceptions to the end of the year rollover requirement (repayment plan and 90-day rule).
- G. WPUSD acknowledges that non federal funds that are deposited into the cafeteria fund and intended to pay bad debt, must be tracked separately.