

LOCAL MEAL CHARGE POLICY

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Summer Workshop 2017

Local Meal Charge Policy- Overview

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- Developing the Local Meal Charge Policy
 - Policy Checklist
- Student Discretion & Communication
- Eligibility
- Delinquent Debt vs. Bad Debt
- Payment Options and Suggestions
- Alternative Meal Policy
- Q & A Session



Local Meal Charge Policy

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- No later than July 1, 2017, all school districts must have a written and clearly communicated meal charge policy in place
- Must have a written document
- No Meal Charge Policy required for:
 - Community Eligibility Provision (CEP)
 - Provision 2- lunch and breakfast



Developing the Local Meal Charge Policy

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- FNS encourages:
 - The adoption of policies that allow children to receive the nutrition they need to stay focused during the school day
 - Minimize identification of children with insufficient funds to pay for school meals
 - Maintain the financial integrity of the nonprofit school food service account (NSFSA)



Developing the Local Meal Charge Policy cont.

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- May apply consistently for all age/grade groups **or** vary based on student age/grade groups
- LEAs have discretion in developing their specific policy
 - Consider the scope of problem and their own specific circumstances
 - FNS encourages stakeholders to share ideas about how to address the challenge of unpaid meal charges and how to communicate the policy once it is finalized
 - principals, teachers, school board officials, food service professionals, and families



Unpaid Meal Charge Policy Requirements and Considerations

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- Students that receive free meals may never be denied a reimbursable meal
- Prevent overt identification of eligibility status
- LEAs are encouraged to revise their policy on a regular (e.g., annual or bi-annual) basis
 - Although it is not required



Local Meal Charge Policy

Considerations for All LEAs

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As provided in SP 46-2016, no later than July 1, 2017, all LEAs operating the Federal school meal programs are required to have a written meal charge policy. An LEA may have a consistent policy for all students in the school district or choose to apply the policy differently based on student grade level.

For each entity or grade level that has a different policy, FNS encourages LEAs to explain in the policy:

1. Are students unable to pay for their meal at the time of the meal service allowed to charge a meal?
2. If students are allowed to charge a meal, is there a limit to the number of charges or dollar limit allowed before requiring payment of the debt?
 - *If yes, what is the number or dollar amount for the charge limit(s)?*
3. If students are allowed to a charge meal, will they receive reimbursable or alternate meals?
 - *If students will receive an alternate meal, what will the meal contain? (Include all meals that apply.)*
 - • *Breakfast:* _____
 - • *Lunch:* _____
 - • *Afterschool Snacks:* _____
4. If students are allowed to charge a meal, will they have limitations on the foods they may select for a reimbursable meal? *If yes, what are the limitations?*



Local Meal Charge Policy

Considerations for All LEAs cont.

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5. Where can families find assistance with applying for free or reduced price school meals?

- Information for families:
- Contact information for an LEA or school official:
 - Name: _____
 - Phone: _____

6. How will the LEA notify households of low or negative balances?

- Low balance notification policy:
- Negative balance notification policy:

7. What resources are available to assist families with paying for their children's meals or debt?

- List of resources for families (i.e., repayment plans):

8. How will delinquent meal charges be managed by the LEA?

- Delinquent charges management policy: _____

9. Which office or personnel will be responsible for managing the charges?

- Contact information for LEA or school official:
 - Name/Office: _____
 - Phone: _____

10. What are the consequences for families that fail to repay a debt?

- Consequences for families: _____



Local Meal Charge Policy

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- Must provide policy in writing to all households at the beginning of the school year, and to households transferring during the school year
 - Must provide to all school level staff responsible for policy enforcement
 - Posting the policy on-line or sending to families by email is helpful, but must provide in writing
 - Letter to households (back-to-school packet)
 - Print version of student handbook
 - Provide policy with free and reduced applications

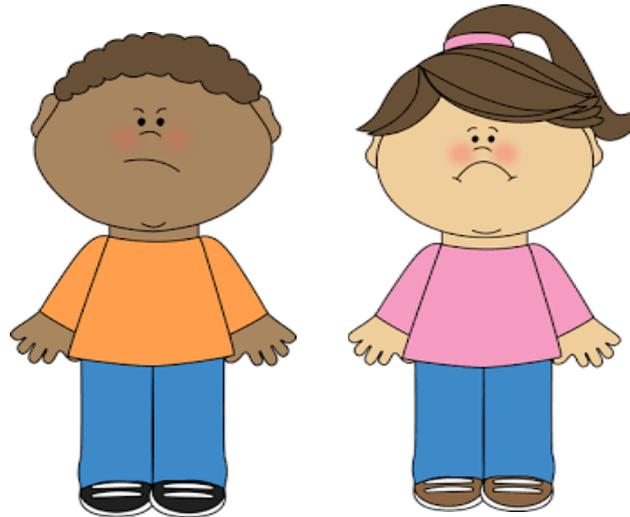


Preventing Student Distress

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Focus on communicating first with adults responsible for providing funds for meal purchases

- Communicate discreetly
- Point of Service
- Method of Payment



Alternatives to Singling Out Students

Discouraged Actions	Encouraged Actions
Announcing or publicizing the names of children with unpaid meal charges ¹⁷	Communicating privately with individual families about their child's outstanding balance
Requiring children with unpaid meal charges to use a different serving line to pick up an alternate meal ¹⁸	Serving children with unpaid meal charges the regular reimbursable meal (or a low-cost, reimbursable alternate meal) in the same serving line
Using hand stamps, stickers, or other physical markers to identify children with meal charge debt ¹⁹	Communicating payment reminders directly to adults in the family over the phone or via email
Sending clearly marked notices home with children who have an outstanding balance	Sending discrete reminders in a plain, white envelope, or sending reminders with other communication materials sent to all families
PROHIBITED: Enlisting volunteers, especially the parents or guardians of other students, to request payment from a family with unpaid meal charges	REQUIRED: Allowing only appropriate officials trained on USDA's confidentiality requirements who have a need to access a child's account balance or eligibility information to request payment from families with unpaid meal charges unless the family gives approval ²⁰
Suggesting or requiring children with unpaid meal charges to work for a meal or to pay back their debt ²¹	Working with families to develop a payment plan to pay back meal charge debt
Throwing a child's meal in the trash if they are unable to pay	Serving children who are unable to pay the regular reimbursable meal or discreetly providing a low-cost, reimbursable alternate meal
Serving unappealing alternate meals as a strategy to embarrass children with unpaid meal debt	Ensuring the alternate meal (if opting to provide one) is a healthy meal and does not single out children with unpaid meal charges*



Discretionary Elimination of Reduced Price Charges

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- Lower or eliminate reduced price meal price
 - 40 cents for lunch – max
 - 30 cents for breakfast – max
- Receive reduced price meal reimbursement
- Funds from NSFSA able to be used
 - Operating losses prior to the policy change must be restored using non-Federal funds
 - may not be subsidized by the NSFSA



Local Meal Charge Policy Communication Requirements for All LEAs

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As provided in SP 46-2016, no later than July 1, 2017, all LEAs operating the Federal school meal programs are required to have in place a written meal charge policy, and to communicate that policy to families and school and/or district-level staff members, as appropriate.

On an annual basis, LEAs must ensure the policy is communicated as required, and may use the following questions as a guide:

1. Have all families received a written copy of the meal charge policy?

Describe how the policy is communicated: _____

2. Have all families of transfer students received a written copy of the meal charge policy?

Describe how the policy is communicated: _____

3. Have all school and/or district-level staff members responsible for policy enforcement received a written copy of the meal charge policy?

Describe how the policy is communicated to staff members (i.e., during annual training) and which staff members are included: _____

4. Is there a system in place to notify families of the meal charge policy when sending the initial notification of delinquent debt?

Describe how families are reminded of the policy when the notification is sent: _____

5. Do schools share information about the policy in other communications with families?

Explain any other ways families are informed of the policy (i.e., student handbooks and/or in online portals households use to access student accounts)



Effective Date of Eligibility

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Flexibility for Household Applications

- LEA may establish date of application's submission as the effective date of eligibility, rather than the date the official approves it
 - Only applies to complete applications containing all required information at the time of submission
 - May use when waiting for documentation of other categorical eligibility based off an application
 - ex: homeless or migrant children
 - Must be included on the Methods of Collection and Meal Counting

Flexibility for Direct Certification

- LEAs may consider the effective date of eligibility to be the MOSIS file match date which first identifies the child as eligible for direct certification
 - the data file must have been generated and received by the LEA in the current school year
 - Must submit completed waiver to State Agency



Effective Date of Eligibility cont.

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Flexibility for Direct Certification

- Lists or other forms of documentation
 - Ex: Homeless, Head Start, TANF, FDPIR, & other sources of categorically eligible programs
- LEAs may consider the effective date of eligibility to be the date the household or appropriate State or local agency submits the letter, list, or documentation to the LEA

All Flexibility by LEA

- LEA implementing flexibility of eligibility must notify its State Agency
- Must have a method to document the date application was submitted
 - ex: date stamp
- Applied to all children directly certified
- Must apply the flexibility to all children directly certified across all participating schools and school meal programs within LEA



Identify Eligible Children

Ensuring children who qualify for free or reduced price school meals are properly certified is helpful for families, financially beneficial for schools, and fundamental to overcoming the challenge of unpaid meals charges.

- Improving the application process
- Strengthening the direct certification process
- Application assistance
- Outreach strategies throughout the calendar year such as:
 - Summer
 - School Year
 - Community
- Incentives

2016-2017 Prototype Household Application for Free and Reduced Price School Meals
 Complete one application per household. Please use a pen (not a pencil). Apply online at www.abodefgh.edu

STEP 1 List ALL Household Members who are infants, children, and students up to and including grade 12 (if more spaces are required for additional names, attach another sheet of paper)

Child's First Name	MI	Child's Last Name	Grade	Student?	Homeless, Foster Child
				Yes No	Yes No
				Yes No	Yes No
				Yes No	Yes No
				Yes No	Yes No
				Yes No	Yes No

STEP 2 Do any Household Members (including you) currently participate in one or more of the following assistance programs: SNAP, TANF, or FDIPIR?

IF NO → Go to STEP 3. IF YES → Write a case number here then go to STEP 4 (Do not complete STEP 3). Case Number: _____

STEP 3 Report Income for ALL Household Members (Skip this step if you answered "Yes" to STEP 2)

A. Child Income
 Sometimes children in the household earn or receive income. Please include the TOTAL income received by all Household Members listed in STEP 1 here.

B. All Adult Household Members (including yourself)
 List all Household Members not listed in STEP 1 (including yourself), even if they do not receive income. For each Household Member listed, if they do receive income, report total gross income (before taxes) for each source in whole dollars (no cents) only. If they do not receive income from any source, write "0". If you enter "0" or leave any fields blank, you are certifying (promising) that there is no income to report.

Name of Adult Household Member (First and Last)	Earnings from Work				Public Assistance				Other Income			
	Weekly	Biweekly	Monthly	Yearly	Weekly	Biweekly	Monthly	Yearly	Weekly	Biweekly	Monthly	Yearly
	\$				\$				\$			
	\$				\$				\$			
	\$				\$				\$			
	\$				\$				\$			
	\$				\$				\$			

Total Household Members (Children and Adults) Last Four Digits of Social Security Number (SSN) of Primary Wage Earner or Other Adult Household Member Check if no SSN

STEP 4 Contact information and adult signature

I certify (promise) that all information on this application is true and that all income is reported. I understand that this information is given in connection with the receipt of Federal funds, and that school officials may verify (check) the information. I am aware that if I purposely give false information, my children may lose meal benefits, and I may be prosecuted under applicable State and Federal laws.

Street Address (if available) Apt# _____ City _____ State _____ Zip _____ Daytime Phone and Email (optional) _____

Printed name of adult signing the form _____ Signature of adult _____ Today's date _____



Delinquent Debt vs. Bad Debt

Delinquent Debt:

-When payment is overdue as defined by State or local policies



Bad Debt:

-When a delinquent debt has been deemed uncollectable and no further collection efforts will be made



Delinquent Debt vs. Bad Debt

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Delinquent Debt	Bad Debt
Unpaid meal balance policy needs to outline how delinquent debts are handled.	Unpaid meal balance policy needs to outline how bad debts are handled.
Debts are initially considered an asset – money due	No longer a considered an asset
Debt remains on the accounting documents until collected or determined uncollectable and written off	Must be written off as operating losses
Funds used to collect is an allowable use of nonprofit school food service account	Nonprofit school food service account funds cannot be used for collection or legal costs
Unpaid meal charges may be carried over at the end of the school year (beyond June 30)	NSFSA funds must be restored using the: <ul style="list-style-type: none">• General funds• Special funding from state or local governments• Any other non-Federal sources

Bad Debt Documentation

- Following records should be maintained to document the appropriate establishment and handling of bad debt:
 - Evidence of efforts to collect unpaid meal charges in accordance with the local unpaid meal charge policy
 - Evidence the collection efforts fell within the timeframe and methods established by local meal charge policy
 - Financial documentation showing when the unpaid meal charge(s) became an operating loss; and
 - Evidence any funds written off as bad debt were restored to the NSFSA using non-Federal sources



Recommended Topics for Delinquent/Bad Debt Policies for LEAs

As provided in SP 46-2016, no later than July 1, 2017, all LEAs operating the Federal school meal programs are required to have in place a written meal charge policy. Within that required policy, FNS recommends LEAs explain the collection methods the LEA will use and the conditions under which each will be initiated.

Specific topics recommended by FNS include the following:

1. How many days will a household's debt be delinquent before the LEA requests payment?

□ Number of Days: _____

2. What procedures are in place for determining if children with delinquent meal charges are eligible for free or reduced price meal benefits?

□ Provide examples (i.e., encouraging the child's household to submit an application):

3. How will households be notified of unpaid meal charges, expected payment dates, and collection efforts?

□ Describe household notification strategies: _____

4. How will repayment plans, with payment levels and due dates appropriate to a household's particular circumstances, be established?

□ Describe establishment of repayment plans, including any key considerations (i.e., a job loss in the household)



Recommended Topics for Delinquent/Bad Debt Policies for LEAs

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5. Will children with a small number of charges, in terms of dollars, be permitted to accumulate a larger debt before the LEA pursues recovery?
6. What efforts will be made to collect household debt?
 - Describe debt collection efforts: _____
7. Who will initiate household debt collection procedures?
 - Explain who is responsible for initiating collection procedures (e.g., food service manager, school principal, superintendent's office, etc.): _____
8. Who will determine whether the achievement of program purposes would be jeopardized by the diversions of staff time and effort to collect payment?
 - Explain who is responsible for assessing debt collection efforts (e.g., food service manager, school principal, superintendent's office, etc.): _____
9. Is there a cumulative dollar threshold beyond which the LEA will escalate the collection method?
10. How will funds be obtained to restore the unallowable bad debt to the NSFSA?
 - Explain from where funds to restore the NSFSA will be obtained: _____



Sample Outstanding Balance Letter

Sample Outstanding Balance Letter

[PARENT/GUARDIAN NAME(S)]
[ADDRESS]
[CITY, STATE, ZIP CODE]

[MM/DD/YEAR]

Dear [NAME(S)],

The goal of [NAME OF SCHOOL'S] breakfast and lunch program is to provide healthy meals to children during the school day. In order to serve healthy, high-quality meals to all children, we must make sure we are financially secure. You play a key role in this effort, and are responsible for purchases made by your child in our school cafeteria.

**INCLUDE PHOTO
OF SCHOOL
OFFICIAL
WRITING THE
LETTER**

As of [DATE], your child has a negative balance of \$[X.XX]. We strongly encourage you to pay this amount as soon as possible. Your response to this request is important. Paying back a debt shows your personal responsibility. It also keeps our food service program strong and ensures all children at our school have access to the healthy food they need to focus in the classroom.

To review [NAME OF SCHOOL'S] Meal Charge Policy, and the penalties for failing to pay back your child's negative balance, please visit [include web address here, or include a copy of the Unpaid Meal Charge Policy in the letter]. We understand that mistakes happen. But meal payments are important to our program, and we must collect your cafeteria debt.

Please contact [NAME OF SCHOOL OFFICIAL] if you have questions. If you think your child may qualify for free or reduced price school meals, please see the next page.

Thank you for your quick payment.

Sincerely,

[NAME], [TITLE]

CC: [NAME OF TEACHER, PRINCIPAL, SUPERINTENDENT, ETC. AS APPROPRIATE]



Payment Options

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Simplifying payment systems, offering multiple payment options, and reminding families before a balance is due can help schools reduce unpaid meal charges.

*LEAs must include at least one no-cost method of payment

*LEAs cannot exclusively use an online system

- Pre-pay for meals
 - Must allow payment on day of service
 - Allow parents/guardians to limit the daily funds used daily, especially for a la carte
- Online payments
 - LEAs cannot exclusively use an online system
- Automatic payment
 - automatically add money to their account when they reach a set dollar amount
 - “low balance warning”

Repayment plan

- Unpaid meal charges may be carried over into the next school year as a delinquent debt and collection efforts continue
- Unpaid meal charges may be carried over at the end of the school year



Payment Reminder Options

Written	LEAs may send discreet payment notices directly to a family’s email account. General payment reminders for all families may be included in the school newsletter, on the lunch menu, or with student “take-home folders.” A Sample Outstanding Balance Letter is included in the appendix.
Verbal	School officials may call families on the telephone to remind them to refill their child’s account. Many LEAs choose to communicate payment reminders using a “robo-call” system to contact families on a weekly or bi-weekly basis, as needed. Sample Robo-Call Scripts are included in the appendix.
Automated	LEAs using an online payment system may send automated alerts when a child’s balance reaches a low level, such as \$5 or \$10. With household authorization, LEAs may also send automated text message alerts.
In Person	A trusted school official may reach out to families with unpaid meal debt in person. Meal charges may be a sign of other challenges facing a family. Having a trusted school official assess the situation firsthand can help the school determine the appropriate response for each individual family.
With Other Payment Reminders	Schools may include all outstanding payments, including fees for books, school uniforms, and unpaid meal charges, when sending notices to families. This streamlines communications, helps families track their payments, and was cited as a best practice during the FNS webinar <i>The Challenges of Unpaid Meals: Proven Strategies from Our Nation’s Schools</i> .



Money In Hand

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- If a student has an outstanding balance, but has money to purchase a meal, they must be provided a meal
 - May not use money to repay previous unpaid charges



Alternative Meals

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- Local decision to provide an alternate meal
 - Can be reimbursable or non-reimbursable
 - May charge for this meal (either at current rate for the student meal or discounted rate)
- School Districts should help ensure the alternate meal does not single out students with unpaid meal charges
 - If alternate meals are offered, must be offered to all students
 - May apply consistently for all age/grade groups **or** vary based on student age/grade groups



Alternate Meal Policy

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- FNS recommends explaining:
 - The meal service(s) during which alternate meals are offered;
 - The duration of the provision of alternate meals (e.g., no more than 10 per school year);
 - If children must pay for alternate meals, and, if so, whether the cost of the alternate meal is added to the child's delinquent account;
 - When alternate meals are offered (i.e., immediately in lieu of charging, or after a child's negative balance dips to a certain level); and
 - How alternate meals are presented (i.e., a sack lunch or a low-cost reimbursable meal regularly included on the menu)



Reimbursable Alternate Meal

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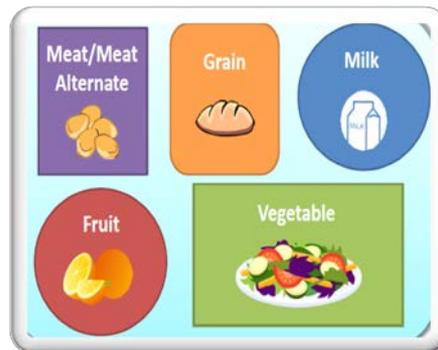
- May offer a simple, low-cost meal, but must meet meal pattern requirements
- Must offer at least two different types of fluid milk
 - Fat -free (unflavored or flavored) and low-fat (unflavored) milk
- If participating in Offer vs Serve, must allow student to select up to 5 components for lunch and 4 for breakfast
 - Components need to meet serving size requirements
- Alternate sack lunch



Non-Reimbursable Alternate Meal

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- Does not need to meet the meal pattern requirements, but encouraged to serve a nutritious meal
- If choosing to charge for the meal then the meal must meet the Smart Snack Standards and the requirements for revenue from non-program foods



Alternate Meal Policy Considerations for LEAs Opting to Provide Alternate Meals

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LEAs are not required to provide alternate meals to children with unpaid meal charges. As provided in SP 46-2016, LEAs opting to provide alternate meals should include information about alternate meals in their local meal charge policy.

For each entity or grade level that has a different alternate meal policy, FNS encourages FAs to explain in the policy:LE

1. Which meal service(s) offer alternate meals?

2. How long will alternate meals be provided?

Duration of the provision of alternate meals:_____

3. Are students required to pay for alternate meals?

If students must pay for the alternate, what is the cost? (Include all meals that apply.)

• Breakfast: \$____

• Lunch: \$____

• Afterschool Snacks: \$____

4. When are alternate meals offered?

Explain when meals are provided (i.e., immediately in lieu of charging, or after a child's negative balance dips to a certain level): _____

5. How are alternate meals presented?

Explain how alternate meals are presented (i.e., a sack lunch or a low-cost reimbursable entrée regularly included on the menu):



Recap

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- Developing the Local Meal Charge Policy
- Policy Checklist
- Student Discretion & Communication
- Eligibility
- Delinquent Debt vs. Bad Debt
- Payment Options and Suggestions
- Alternative Meal Policy
- Q & A Session



Q&A

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Overcoming the Unpaid Meal Challenge

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Overcoming the Unpaid Meal Challenge

*Proven Strategies from
Our Nation's Schools*

USDA-FNS



Resources

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- DESE Website: <https://dese.mo.gov/financial-admin-services/food-nutrition-services>
- USDA Website: <https://www.fns.usda.gov/school-meals/unpaid-meal-charges>



Contact Us

Email: foodandnutritionservices@dese.mo.gov

Phone: 573-751-3526

Web address: <http://dese.mo.gov/financial-admin-services/food-nutrition-services>