

To: Board of Education

From: David Cunningham, executive director, human resources & legal counsel, ext. 4937

Re: Guide to Administrative Procedures – Unpaid Meal Charge Procedures

Date: June 22, 2017

Background:

The Board Policy Committee has met and determined it is necessary to add procedures for addressing unpaid meal charges. This is necessary to meet state and federal requirements.

Unpaid Meal Charge Procedures

The procedures outline those steps the district must take to notify parents/guardians of general procedures, account status, negative balances, bad debt collection, and donations and account refunds. This GAP provision reinforces the district will provide a regular reimbursable meal to students regardless of account balance.

Rationale:

The adoption of this GAP provision will ensure compliance with state and federal law.

Recommendation:

The committee recommends board approval for the adoption of this GAP provision to ensure compliance with state and federal law.

Motion:

“I move the Board of Education approve the adoption of the referenced GAP provision effective June 26, 2017.”

Unpaid Meal Charge Procedures

Purpose: To establish consistent meal account procedures throughout the district and ensures that all students are treated with dignity in the serving line regarding meal accounts.

General Statements of Procedure:

- Lawrence Public Schools recognizes the parent/guardian's responsibility to provide meals for their children. Proper nutrition intake is essential for adequate learning to occur.
- Lawrence Public Schools offers breakfast and lunch at each school. The nutrition & wellness department strives to produce quality meals in an efficient and fiscally responsible manner.
- Students may purchase meals when funds have been deposited into their meal account via cash, check or online payments.
- Households may apply for free/reduced-price meals anytime during the school year. Prior to the start of school, applications are available through the online annual update and orientations. In addition, applications are available at the district office, welcome & enrollment center, all school offices and in the cafeterias. The application is also available online at <https://www.usd497.org/Page/1301>. For assistance with applications families should call the Nutrition & Wellness Office at 785-832-5000.
- The responsibility for ensuring that children can participate in meal service is that of the parents or guardians. The responsibility of the district is ensuring that children have a school meals program available to them.

Procedures for Notifying Family of Account Status:

1. Automated phone calls are made on Tuesdays and Thursdays, when an account reaches \$4.00 or less.
 - a. In the elementary schools, when a student has a low or negative balance, low balance reminder letters are sent home in a sealed envelope via "Folder Day". A phone call using low balance letter language may be substituted per school preference.
 - b. In the secondary schools, students can view their balance and cashiers may verbally inform students when their balance is below \$5.00.
2. Families may also set up email alerts via their "My School Bucks" online payment system. A family does not have to make an online payment to use the online notification system.

Nutrition & Wellness Office Procedures for Negative Balances:

1. The Nutrition & Wellness office will print and mail student meal account statements weekly that have a negative balance of \$10.00 or more. Invoice statements of negative \$25.00 and higher will include a free or reduced-price meal application included in the mailing.
2. A regular reimbursable meal will be served to all students regardless of account balance. No breakfast or lunch meal will be taken from a student, regardless of their ability to pay. No alternate meal will be given with a low or negative balance.
3. No hand stamp or other physical reminder will be given to any student with a low or negative balance.
4. No a la carte is charged at any grade level if a student has a negative balance. Students will be encouraged to take a fully reimbursable meal.

Delinquent to Bad Debt Collection:

1. When payment is overdue, but still collectable and efforts are being made to collect it; the debt is classified as delinquent and will remain on accounting documents until collected or re-classified as bad debt.
2. At the end of the school year, debt greater than (-\$25.00) becomes uncollectable and is classified as bad debt and must be written off as an operating loss.
 - a. Families of active students in grades preK-11 with a negative balance less than (-\$25.00) will carry into the next school year as delinquent accounts.
 - b. Families actively attempting to pay off balances through payment plans may carry into the next school year.
3. Regulations defined under 2CFR 200.426 requires that bad debts, included losses arising from uncollectible accounts and other claims are unallowable expenses to the nonprofit school food service account. Therefore, repayment of bad debt must be restored using non-Federal Funds.
4. Records must be kept to document appropriate handling of bad debt including:
 - a. Evidence of efforts to collect unpaid meal charges in accordance with this meal charge policy.
 - b. Evidence the collection efforts fell with the timeframe and methods established by this meal charge policy.
 - c. Financial documentation showing when the unpaid meal charges became an operating loss.
 - d. Evidence any funds written off as bad debt were restored to the nonprofit school food service fund using non-federal funds.

Donations and Account Refunds:

1. Site-specific donations for delinquent accounts will be tracked as designated to offset future expenses.
2. If a student is graduating or moving out of the District, families should complete "Request for Food Service Refund" form. Families whose seniors have a balance will be transferred to younger siblings. If a family so chooses, they can donate their unused balance to the Nutrition & Wellness delinquent account fund. This form may be found on the Nutrition & Wellness Services webpage (<https://www.usd497.org/Page/1301>) or office or the school kitchens' offices.
3. In addition to donations made on the "Request for Food Service Refund" form, donations are accepted year round from individuals, groups or businesses. Contributions should be dropped off or mailed to the Nutrition & Wellness Service office at 110 McDonald Drive, 66044. Checks should be made available to USD 497 School Nutrition "Meal Support Fund" or MSF.
4. The School Nutrition Meal Support Fund is a fund designated for students experiencing financial hardship. Money that is donated to the Meal Support Fund may only be used for negative balance accounts. The School Nutrition Meal Support Fund committee will designate how to distribute the donations, noting, "MSF Transfer" in the remarks. Donors will receive a charitable contribution acknowledgement for their generous donation.
5. Unpaid meal charge procedures will be distributed to households annually via the Nutrition & Wellness Services webpage, student handbooks, and balance notification letters.