

NONINSTRUCTIONAL OPERATIONS

8245

School Lunch and Breakfast Fiscal Policy and Procedures

The following federal and state regulations, guidance, and laws govern alternate meals and unpaid meal charges:

Notwithstanding any other provision of law, each school district or county superintendent of schools, maintaining any kindergarten or any of grades 1 to 12, inclusive, shall provide for each needy pupil one nutritionally adequate free or reduced-price meal during each school day[.]

The Charter School shall provide a nutritionally adequate meal (breakfast or lunch) that qualifies for reimbursement under the federal child nutrition program regulations. *EC*, Section 49553(a)

Children eligible to receive free or reduced-priced meals and milk shall not be treated differently from other children. These plans shall ensure each of the following:

- Unless otherwise specified, the names of the children shall not be published, posted, or announced in any manner, or used for any other purpose other than the National School Lunch Program.
- There shall be no overt identification of any of the children by the use of special tokens or tickets or by any other means.
- The children shall not be required to work for their meals or milk.
- The children shall not be required to use a separate dining area, go through a separate serving line, enter the dining area through a separate entrance, or consume their meals or milk at a different time.

When more than one lunch or breakfast or type of milk is offered pursuant to this article, the [free and reduced-price eligible] children shall have the same choice of meal.

Unpaid Meal Charges

When a student's school meal account funds are exhausted, a student paying the full or reduced price for meals may charge no more than 5 meals or to his or her school meal account. Students may charge breakfasts and/or lunches and/or afternoon snacks up to the maximum amount. Charging of *a la carte* or extra items to a student's account will not be permitted.

Students who have charged the maximum amount allowed will not be allowed to charge further meals until the negative account balance has been paid in full. However, such students will be allowed to purchase a meal if the student pays for the meal when it is received.

Students who have charged the maximum amount and cannot pay out of pocket for a meal will be provided an alternate meal through the Angel Food Service Account.

Recovering Unrecovered or Delinquent Debt

Title 2, *Code of Federal Regulations (2 CFR)*, Section 200.426: Bad debts are an unallowable cost to federal programs. According to federal guidance, unpaid meal charges are designated as unrecovered or delinquent debt until it is deemed uncollectable, at which time it becomes bad debt. The difference between unrecovered or delinquent debt and bad debt is described below:

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

The Charter School will take all reasonable steps to recover the unrecovered or delinquent debt, and if unsuccessful in collecting the debt by the end of the fiscal year, then the SDE considers the debt as bad debt and the Charter School will use nonfederal funding sources to repay the NSFSA for the total amount.

- **Angel Food Service Account** refers to the nonfederal, donation-based food service account housed by the Charter School that is used solely to pay the cost of unrecovered or delinquent debts for students. If funding is available, the Charter School will utilize the Angel Food Service Account to cover delinquent debts prior to those debts transitioning to bad debts.

Meal Charge Policy Considerations

As noted above, unrecovered or delinquent debt becomes bad debt at the end of the fiscal year it is incurred in, unless such debt falls into one of two exceptions:

- **Date of debt:** The debt is incurred less than 90 days prior to the end of the fiscal year. Under this exception, the SFA will be afforded an opportunity to have a maximum of 90 days to collect the debt and receive payment for the unpaid meal charges. The 90 days will begin at the end of the claiming period for the debt incurred. At the end of the 90 days, the unpaid meal charges will be deemed as bad debt and a nonfederal funding source must repay the NSFSA within 30 days.

If a student incurs unpaid meal charges in the last month of school, the Charter School will have a maximum of 90 days to collect the debt. If the Charter School is unsuccessful in collecting the unrecovered or delinquent debt at the end of the 90 days, then the debt becomes bad debt.

- **Repayment plan:** If the Charter School enters a repayment plan with the family prior to the end of the fiscal year and this process continues into the next fiscal year. For example, a family notifies the district that they are willing to make monthly payments and agrees to set up a six-month payment plan to pay off the student's unpaid meal charge balance. Under this exception, the school can establish a payment plan for the family that allows the unrecovered or delinquent debt to carry forward into the next fiscal year.

Bad Debt Recordkeeping Requirements

Once unrecovered or delinquent debt becomes bad debt, records relating to those charges must be maintained in accordance with the record retention requirements in 7 *CFR*, sections 210.9(b)(17) and 210.15(b). The following records will be maintained to document the appropriate establishment and handling of bad debt:

- Evidence of efforts to collect unpaid meal charges in accordance with the SDE or local unpaid meal charge policy
- Evidence the collection efforts fell within the timeframe and methods established by the SDE or local meal charge policy
- Financial documentation showing when the unpaid meal charge(s) became an operating loss
- Documentation showing when the repayment plan was agreed to by all parties (as applicable)
- Evidence any funds written off as bad debt were restored to the NSFSA using nonfederal funding sources

Meal Charge Policy Prepayment Options

USDA Policy Memo SP 57-2016 addresses prepayment options for SFAs ([School Food Authority](#)) to consider when establishing meal charge policies. The Charter School encourages families to prepay for meals at the reduced-price or paid rate to help to ensure that children have consistent access to healthy, reimbursable meals, without accruing unpaid meal charges.

Families may still make cash payments to the school office on the day of service.

Notifying Households of SFA Meal Charge Policies and Procedures

The Charter School will use the following methods to communicate the meal policies:

- Send a letter to households explaining the meal charge policy when providing student registration materials in the **back-to-school** packets

- Include the written policy when using existing notification methods to inform families about applying for free or reduced-price meals, such as distributing household applications at the start of the school year
- Post the policy on the SFA's website ?
- Set up a parent notification system when a student's meal payment account is low or when the student begins charging for their meals

Tracking Revenue and Expenses

The Charter School will track all meal program revenue and expense on a separate line item in the general budget. Each month all revenue and costs will be reconciled and tracked, to be reviewed by the Executive Director and Operations Manager.

The Charter School will track any and all nonprogram foods separately from program food costs (ie adult meals). No food items will be purchased from the food service account (fundraisers, a la carte etc. if sold will all be purchased through general fund account). Program costs consist of all reimbursable breakfast, lunch, snack or supper (as applicable), prior approved equipment purchases, and program materials (such as marketing and office supplies).

The Executive Director, Operations Manager and Business manager will be trained annually on allowable costs, bad debt procedures and the meal collection policy.

USDA Nondiscrimination Statement

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, this institution is prohibited from discriminating on the basis of race, color, national origin, sex (including gender identity and sexual orientation), disability, age, or reprisal or retaliation for prior civil rights activity.

Program information may be made available in languages other than English. Persons with disabilities who require alternative means of communication to obtain program information (e.g., Braille, large print, audiotape, American Sign Language), should contact the responsible state or local agency that administers the program or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339.

To file a program discrimination complaint, a Complainant should complete a [Form AD-3027, USDA Program Discrimination Complaint Form](#) (PDF), from any USDA office, by calling (866) 632-9992, or by writing a letter addressed to USDA. The letter must contain the



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complainant's name, address, telephone number, and a written description of the alleged discriminatory action in sufficient detail to inform the Assistant Secretary for Civil Rights (ASCR) about the nature and date of an alleged civil rights violation. The completed AD-3027 form or letter must be submitted to USDA by:

1. Mail: U.S. Department of Agriculture
Office of the Assistant Secretary for Civil Rights
1400 Independence Avenue, SW
Washington, D.C. 20250-9410;
2. Fax: 833-256-1665 or 202-690-7442; or
3. Email: program.intake@usda.gov

This institution is an equal opportunity provider.

Policy History:

Adopted on: May 17, 2023

Revised on: