



School Lunch Fiscal Policy and Procedures

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

Valor Classical Academy (School) shall provide a nutritionally adequate lunch that qualifies for reimbursement under the federal child nutrition program regulations. Children eligible to receive free or reduced-priced meals 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- Unless otherwise specified, the names of the children shall not be published, posted, or announced in any manner, or used for any other purpose other than the National School Lunch Program.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 type of milk is offered pursuant to this article, the free and reduced-price eligible children shall have the same choice of meal.

For assistance with applying for free or reduced meals, families can contact the Assistant Head of School.

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 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 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, the School will use non-federal funding sources to repay the NSFSA for the total amount.

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 School 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 non-federal funding source must repay the NSFSA within 30 days.

If a student incurs unpaid meal charges in the last month of school, the School will have a maximum of 90 days to collect the debt. If the 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:** This refers to the situation where the School enters into 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 School that they are willing to make monthly payments and agrees to set up a six-month payment plan in an effort 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 RECORD KEEPING 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.



- Evidence the collection efforts fell within the timeframe and methods established by the 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 non-federal funding sources.

MEAL CHARGE POLICY PREPAYMENT OPTIONS

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

Families must make lunch payments online via the MySchoolBucks platform.

NOTIFYING HOUSEHOLDS OF SCHOOL MEAL CHARGE POLICIES AND PROCEDURES

The 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.
- 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 School's web site.
- Set up a parent notification system when a student's meal payment account is low or when the student begins charging for their meals.

Note: Students will not be allowed to charge more than three meals. Once the three-meal threshold has been reached, the student will be served an alternate meal (e.g., sunbutter sandwich) until the student's meal balance is made positive.

The Assistant Head of School is responsible for working with the Business Manager to manage charges.



TRACKING REVENUE AND EXPENSES

The School will track all meal program revenue and expenses 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 Principal.

The School will track any and all non-program foods separately from program food costs (e.g. adult meals). No non-program food items will be purchased from the food service account (fundraisers, *a la carte* etc. will all be purchased through a general fund account). Program costs consist of all reimbursable lunches, prior approved equipment purchases, and program materials (such as marketing and office supplies).

The Principal, Food Service Director, and Business Manager will be trained annually on allowable costs, bad debt procedures and the meal collection policy.

STUDENT LUNCH BALANCE REFUND PROCESS

When a student disenrolls or graduates from the School, the parent/guardian may request a full or partial refund of the student's lunch account balance. A completed and signed Refund Request must be submitted to the school to initiate the refund process.



SCHOOL LUNCH BALANCE REFUND REQUEST

Date: _____

Name: _____

Phone: (_____) _____

I, the parent of _____, request (check one option):

a refund of my child's entire school lunch balance

a refund of \$_____ of my child's school lunch balance

Please make the check payable to: _____

Signature: _____

For school use only:

Verified balance in Mosaic: \$_____

Date: _____

Title and Name: _____

Signature: _____

For office use only:

Check issue date: _____

Check number: _____

