

Parent Letter for Handling Student Meal Charges and Bad Debt

August 2017

All School Districts are required by law to develop guidelines on how to handle any negative balances that remain on a student's food service account at the end of the school year which is then considered "bad debt". The guidelines must be clear and must be administered consistently throughout the District.

GOALS:

- To ensure that students have a healthy meal and that no child goes hungry
- To foster clear and positive communication among staff, administrators, teachers, students and the parent/guardian
- To establish fair practices that can be used consistently throughout the district regarding meal charges and the collection of those charges
- To establish procedures to handle negative balances that remain at the end of each school year, negative balances are considered "bad debt"
- To establish refund procedures for money that remain on meal accounts of exited/exiting students

SCOPE OF RESPONSIBILITY:

THE FOOD SERVICE DEPARTMENT:

- Responsible for maintaining Food Service meal account records.
- Responsible for providing written documentation of account activity to parents/guardians upon request.
- Responsible for notifying parents/guardians when their student/s has a negative meal account balance and to work toward a resolution.
- Responsible for using different methods to notify parents/guardians of the negative balance on their student/s account.
- Responsible for notifying school administrators of potential problems and/or repeat offenders.

FOOD SERVICE MEAL ACCOUNTS:

- The District strongly discourages meal charges, but understands that an occasional emergency, shortage of funds or forgetfulness may make it necessary. Meal charges are a temporary solution and are not intended to address the broader issue of whether a parent/guardian has an inability to pay for a meal for his/her child. In those instances, an application for Free or Reduced Price Meal Benefits should be completed and returned to the Food Service Department as soon as possible.
- The District uses a computerized system to protect personal information. At the time of enrollment, each child is assigned a personal student ID number and a Food Service account. The student ID number is used to identify a child as they come through the serving line and it allows access to their Food Service account which is similar to a bank account. Parents/guardians are encouraged to make payments in advance on their child/ren food service account. All food service account activity can be viewed on Parent Connect which is located at www.southredford.org by hovering over the "Schools", select your student's school then go to "Parents" to find the Parent Connect portal. To establish a Parent Connect account, contact the secretary in the main office at their student's school.

THE PARENT/GUARDIAN RESPONSIBILITIES:

NEW STUDENTS TO THE DISTRICT:

- **Responsible for completing a Free and Reduced meal application, if necessary, when enrolling their child/ren to the District, including the siblings of existing students, i.e.: kindergarten students, when applicable, unless notified by the Food Service Department that the new student has been directly certified by the State OR is already identified as a household member on a new application for the current-year.**

NOTE:

- **Only NEW students who enroll for the first time in South Redford School District will be allowed to eat breakfast/lunch at no cost while their Child's Free & Reduced meal application is being processed. However, in the event that the application determination is a reduced" status, the cost for each breakfast and/or each lunch will be recalculated at the reduced price rate of \$.30 for breakfast and \$.40 for lunch, respectively, and the parent/guardian will only be responsible to pay the amount as if their child/ren had the "reduced" rate all along. However; if the application is denied, all charges are the responsibility of the parent/guardian. Also, if "meal charges" are incurred due to the failure to submit a new Free and Reduced Price meal application during the enrollment process so a status determination can be made, the full amount of the negative balance will remain on the child's account and is the responsibility of the parent/guardian.**

CURRENTLY ENROLLED/RETURNING STUDENTS

- Responsible for completing a new Free and Reduced price meal application at the beginning of each school year for returning students, when applicable, unless notified by the Food Service Department that a new application is not required for the new/current school year.
- Responsible for completing a new Free and Reduced meal application when enrolling their child/ren to the District, including the siblings of existing students, i.e.: kindergarten students, when applicable, unless notified by the Food Service Department that the new student has been directly certified by the State OR is already identified as a household member on a new application for the current school year.
- Responsible for payment of all "meal charges" incurred caused by the failure to submit a new Free and Reduced Price meal application during the first 30 days of each new school year, unless notified by the Food Service Department that a new application is not required for the new/current school year.
- Responsible for immediate payment of any and all Food Service negative balances. However; if immediate payment is not possible, the Food Service office must be contacted at 313-535-4000 ext.1184 to make payment arrangements.

MEAL CHARGES

- *Breakfast is available at all buildings every day. The cost is \$1.25 for all students, and \$.30 for those students who qualify for reduced price meals. Although not required by law through the National School Lunch Act or the Healthy Hunger Free Kids Act, limited meal charging will be allowed as a courtesy to families, under the following conditions:*
- When a student does not have enough money in hand or on their account to purchase a meal, the meal is "charged" to their account causing a negative balance.
- Immediate payment is expected for all negative balances.
- When a student has a negative balance an automated call is made to the phone number listed on file each Tuesday and Thursday evening stating the amount of the negative balance of the student's account. Also, negative balance reminders may be mailed to request payment or personal phone calls may be made.
- Students may charge up to four (4) meals – whether breakfast, lunch or a combination of the two. No second entrees or ala carte items can be charged.
- Upon reaching the four (4) meal limit, students will be provided with an alternate meal. There is no alternate meal for breakfast.
- Students are not permitted to purchase ala carte items until all charges are paid.
- No charges will be permitted 1 month prior to the end of the school year.
- All unpaid charges will be recorded on the student's fees and fines list at the end of each school year. Therefore, unless paid, the negative balance will remain on the student's "fees & fines" list and must be paid before graduation. Refer to **HANDLING BAD DEBT FOR EXISTING STUDENTS** section for details.
- Payments can be made in the Food Service Department at each school. Refer to **ONLINE PAYMENTS and OTHER PAYMENT OPTIONS** for other payment options.

NOTE: Elementary breakfast is served in the classroom and all meal prices apply. It is "free" only to students who qualify and to students who attend Vandenberg Elementary School. Please notify the teacher and the Food Service Department if you do not want to participate.

ONLINE PAYMENTS and OTHER PAYMENT OPTIONS:

Once a Parent Connect account is established, e-check or credit/debit card deposits can be made online through Pay Schools. The Student Data Coordinator at 313-535-4000 ext. 1022 will assist in setting up the Pay Schools account. Cash and personal checks are also accepted daily in the cafeteria at each school. Personal checks must be made out to: **South Redford School District**.

NOTE: In the event that a paper check is returned to the bank due to non-sufficient funds (NSF), a \$25.00 fee will be added to the child's account and personal checks will no longer be accepted as a form of payment. There is a \$10.00 fee for any Pay Schools payment that is declined and will be added to the child's account.

South Redford School District Bad Debt Policy

Under the Office of Management & Budget Uniform Guidance for Grants, per 2 CFR §200.426, bad debt (debts which have been determined to be uncollectable), including losses (whether actual or estimated) arising from uncollectable accounts and other claims, are unallowable in the food service fund.

Uncollectable/delinquent debt is defined as meal charges that have not been paid by the student or parent(s) during the school year. Bad debt is uncollectable/delinquent debt that has been determined to be uncollectable by the end of the school year in which the debt was incurred. Any related collection costs and related legal costs arising due to the collection of those meal charges throughout that current school year are an allowable cost in the nonprofit school food service account (NSFSA).

If the uncollectable/delinquent debt cannot be recovered by South Redford School District by June 30 in the year when the debt was incurred, then this is classified as bad debt. Once classified as bad debt, non-Federal funding sources must reimburse the NSFSA for the total amount of the bad debt, therefore, the general fund of South Redford School District will write off bad debt on June 30 of every year as an expense of the general fund, making the Food Service account whole. However; the District reserves the right to pursue the collection of that debt in subsequent years if it deems necessary. Therefore, a listing of the accounts written off as bad debt will be kept with the annual fiscal yearend entry and those meal charges will be added to the "fees and fines" list for each student.

HANDLING BAD DEBT FOR ENROLLED STUDENTS:

All Grades:

- All unpaid charges will be recorded on each student's list of unpaid "fees and fines" at the end of each school year. The negative meal balance will remain on the student's "fees and fines" list until paid and they will accumulate throughout their years in the South Redford School District if left unpaid. All past debt payments can only be made in the main office of the student's school or the Food Service Department and must be accompanied by the student "fees & fines" list that was received by mail. All negative meal balances must be paid in full before graduation.

Elementary School Students:

- Negative Food Service account balance notices will be mailed throughout the school year and notices will be mailed weekly beginning the month of May.
- A final negative balance notice will be mailed when school ends.

Middle School Students:

- A list of all Fees and Fines, including what is on a student's Food Service account, will be mailed home at the end of the school year and then included in each Jump Start packet.
- An identical list will be given to students on Jump Start day and all balances must be paid in full before receiving their schedule or they must sign the form acknowledging the amount that is owed and a payoff date will be set.
- All unpaid meal balances will remain on the student's "fees and fines" list until paid.

High School Students:

- A list of all Fees and Fines, including what is on a student's Food Service account, will be mailed home at the end of the school year and then included in each Jump Start packet.
- Students will receive an identical list of all fees and fines on Jump Start day and must pay the balance in full before receiving their schedule or sign the form acknowledging the amount that is owed and a payment date will be set.
- All debt, including what is on a student's Food Service account, must be paid in full before a student can purchase tickets to any extracurricular activities including but not limited to:

Home Coming Dance

Prom Night

- All Fees and Fines, including the student's Food Service account, must be paid in full before a student can get his/her Cap and Gown, in order to "walk" at Graduation.

HANDLING NEGATIVE MEAL ACCOUNT BALANCES OF EXITING STUDENTS:

- Every effort must be made at the building level to collect negative meal account money before a student leaves the District. All money must be turned into the school Food Service Department along with the student's name, OR the student/parent/guardian can go to the building's Food Service area to pay their balance.
- The Food Service Office must also be given the name/s of any exiting student/s with a negative meal account balance in order to verify that the money was collected, the student records are updated/cleared and the money is deposited.

HANDLING POSITIVE MEAL ACCOUNT BALANCES OF EXITING AND EXITED STUDENTS:

Students exiting the District with a positive meal account balance must request a refund in writing from the Food Service Office. Amounts \$20.00 or less will be refunded in cash. Refund checks will be issued for amounts between \$20.00 and \$25.00 and the written request must include the following: the name of the student/s needing a refund, the name of the person to whom the check is to be made, the address where the check is to be mailed and the signature of the individual requesting the refund. All requests must be received by June 30th of that same school year. Amounts less than \$25.00 that remain on exited student accounts beyond June 30th will be considered a donation and will be used to offset bad debt incurred by the Food Service Department. However, attempts will be made to issue refunds to students with a reduced price meal status. Remaining balances that are more than \$25.00 will be sent to the State of Michigan and it will be the responsibility of the owner to collect.