

The District wishes to maintain the fiscal integrity of the food service program and to incentivize appropriate household responsibility for the payment of costs that a student incurs in the use of the program, while also pursuing the critically important goals of providing students with adequate nutrition and minimizing the extent to which any student is stigmatized because he/she has insufficient funds to pay for a meal or because the student's household owes a debt within the food service program.

In accordance with requirements established by federal and state oversight agencies, the administration shall adopt, maintain, implement, and clearly communicate a written administrative rule on the subject of meal charges and the collection of funds within the District's food service program. With respect to meal charges, the rule must particularly identify how children who pay the full-price (paid rate) or reduced price for a federally-reimbursable meal are affected by not having enough money (either in hand or in their student food service account) to cover the cost of a meal at the time of the meal service. The administrative rule and any future revisions to the rule are subject to the final approval of the District Administrator, who, at his/her discretion, may elect to seek Board approval of the rule.

The administrative rule shall be consistent with this policy, including the following parameters:

1. The rule may differentiate meal charge and collection procedures by school level or by particular grade spans.
2. The rule may permit students to charge (i.e., incur a negative balance as a debt) a limited amount of meals or other food service items that are offered for sale. The rule may also set other relevant restrictions and conditions on any such negative balances.
3. The rule may provide for one or more alternate meal options that may be made available to some or all students (with or without a charge to the student's account), and the rule may also set other relevant restrictions and conditions on the provision and receipt of alternate meals.
4. The rule shall provide that balances owed within a student's or household's food service account at the end of a school year are

generally carried over from one school year to the next, for at least as long as active collection efforts are being made.

5. The rule shall pursue the following fiscal targets, with the intent that modifications to the rule shall be identified and considered if any of the targets are not met:
  - a. At any one time within the food service program's student accounts, less than \$5,000 will be owed in aggregate delinquent debt that is more than 90 days past due.
  - b. The total amount of bad debt that needs to be written off as an operating loss within the Nonprofit School Food Service Account shall not exceed \$5,000 within any fiscal year.
6. The District may need to inform a student of his/her current account balance and any restrictions that apply to his/her food selections and charges. However, the District's preferred means of addressing any issues with a student's food service account, meal payments, and access to sufficient food while at school shall be direct and timely communication with a parent or guardian (via automated messages, personal contact, or other methods).
7. When a student's meal account has an unused, positive balance at the end of a school year, and the student has not received free or reduced-price meals during the year, the Board authorizes food service program personnel to offer such families the option of voluntarily donating the unused balance to the District to be used to repay negative balances owed by other students and families within a student food service account.

In addition to the rule accompanying this policy addressing student meal charges and account collections, it is the policy of the District that non-student adults who are permitted to purchase meals or other items through the food service program may be authorized to charge items resulting in a negative balance in an amount up to \$20, with payment due immediately upon notice of the balance.

**Reclassification of delinquent debt as bad debt within the Nonprofit School Food Service Account (NSFSA).** In consultation with the District's financial auditors as

needed, the Director of Finance and Operations shall develop procedures and criteria for the reclassification of long-term delinquent debt within student food service accounts as uncollectible bad debt. Such procedures and criteria shall be consistent with the following general parameters:

1. Unless an active payment plan is in place or other attempts at collection are actively being pursued, delinquent debt in a student food service account that has not been repaid within 90 days shall normally be reclassified as bad debt for purposes of the District's NSFSA.
2. The reclassification of a delinquent debt to a bad debt as an accounting of allowed costs within the District's NSFSA does not prevent the District from (a) continuing to track the unpaid debt, (b) accepting payment for the debt, (c) refusing to extend further credit or offer other payment plans to the debtor household, or (d) applying other District policies and rules related to unpaid charges and fees.

**Donations to pay debts in student food service accounts.** When donations of money are accepted and used for the specific purpose of covering unpaid balances (in full or in part) in student food service accounts, the District shall consider the debt repaid and discharged to the extent covered by the donation(s). Except as provided in any terms or contingencies that are attached to a specific gift and that have been accepted by the District, or except as otherwise approved by the Board, food service program personnel shall normally aggregate (e.g., annually or more often) any donations that have been received for the purpose of covering unpaid balances and then apply the total amount on a pro-rata basis (either equal dollars per student or an equal percentage of the amount owed) across the negative-balance account(s) of households that the District has identified as being in financial need of such assistance. Where the amount of such donations makes this preferred approach impractical, the Director of Finance and Operations may approve an alternative approach that still prioritizes applying the available funds to the food service accounts of one or more households in financial need.

**Legal References:**

**Wisconsin Statutes**

<a href="#">Section 115.34</a>	[school lunch program, generally]
<a href="#">Section 115.341</a>	[school breakfast program, generally]
<a href="#">Section 115.343</a>	[Wisconsin school day milk program, generally]

[Section 115.347](#)

[direct certification of eligibility for school nutrition programs]

**Federal Law**

[42 U.S.C. § 1758\(b\)\(2\)\(A\)](#)

[school district duty to publicly announce the income eligibility guidelines for free and reduced price meals]

[42 U.S.C. § 1758\(b\)\(6\)](#)

[confidentiality of federal meal program application information and eligibility status; disclosure limitations]

[7 C.F.R. § 210.12](#)

[district duty to involve families in the school meal programs and to inform families about the availability of federal food programs]

[7 C.F.R. § 245.5](#)

[district duty to inform school families and the community about the availability of reimbursable school meals (whether free, reduced-price, or paid), the eligibility criteria for free or reduced-price meals, and the process for applying for free or reduced-price meals]

[7 C.F.R. § 245.6](#)

[application, eligibility, and certification of children for free and reduced-price meals and free milk; restrictions on the disclosure and use of information obtained from an application]

[2 C.F.R. § 200, Subpart E](#)

[standards for allowable costs as set forth in federal cost principles]

[2 C.F.R. § 200.426](#)

[treatment of bad debt under federal funding requirements]

***USDA Nondiscrimination Statement:***

**This institution is an equal opportunity provider.**

**Esta institución es un proveedor que ofrece igualdad de oportunidades.**

**Adopted: 12/20/21**