

Caledonia Central Supervisory Union Food Service Charging and Account Collection Policy

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

This institution is an equal opportunity provider.

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The Local Education Authorities (LEAs) of the Caledonia Central Supervisory Union (CCSU) acting as the School Food Authority (SFA) shall provide healthy and appealing meals, snacks and special event refreshments at the lowest possible price to the respective LEAs. Frequently, the school faculty, staff, student families and administration charge food items for personal consumption and special events. The following is the charging allowances and collection protocols implemented for the SFA schools.

Communication of Food Service Charging and Collection Policy

LEAs will communicate the Food Service Charging and Collection Policy in accordance with federal, state and local guidelines and USDA Child Nutrition requirements.

Meal Pricing and Discount Meal Status

Child Nutrition offers three meal statuses for students and their families. The statuses are Full Price Paid, Reduced Price and Free Price. Reduced and Free meal prices is based upon income eligibility. An annual application is required. Families may apply for discount meal status by completing a current school year "*Application for Free and Reduced Price School Meals*". Families are exempt from the application process if the family is identified on the State of Vermont sponsored Direct Certification List.

LEAs are responsible to set full price meal prices in accordance to USDA regulations.

The USDA determines the maximum amount an LEA may charge for discount price school meals.¹ Alternate repayment of reduced price meal prices may be created by State and Local authorities relieving the family of financial responsibility for school meals. The State of Vermont is currently assuming all reduced meal prices. This entitles reduced qualifying students the same benefits as free price school meal qualifying students. The State of Vermont, at its sole discretion, determines the continuance of this practice.

In the event the alternate repayment of reduced price school meals is discontinued by the State of Vermont, reduced price school meal qualifying students with debit balance accounts shall have these accounts revert to delinquent status. The delinquent accounts shall be subject to collection procedures.

Delinquent Accounts and Bad Debt

Food Service accounts, not receiving repayment, 30 days from date of invoice distribution, shall be considered delinquent. These accounts are subject to approved collection procedures as identified in Approved Collection Procedures.

Upon graduation from grade twelve or after "dropping out" and upon exhaustion of all collection procedures, the account status shall become reclassified from delinquent to bad debt.

The SFA Business Office will manage bad debt accounts following industry protocol and in accordance with federal, state and local laws.

When local officials determine delinquent debt is uncollectable and no further collection efforts will be made, the debt must be reclassified as "bad debt." Once a delinquent debt is reclassified as a bad debt, it is, by definition uncollectable (2 CFR 200.426). Therefore, bad debts must be written off as operating losses.

¹ The maximum cost for reduced price meals is established by statute:
[USDA-FNS Website - Reimbursement Rates](#).

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While bad debt must be written off as an operating loss, an operating loss related to conversion of unpaid meal charges to bad debt status may not be absorbed by the Non-profit School Food Service Accounts (NSFSA). Repayment of bad debt resulting from unpaid meal charges is an unallowable cost; therefore, the NSFSA must be restored using non-Federal funds. These funds may come from:

- The school district's general fund,
- Special funding from State or local governments, or
- Any other non-Federal sources.

Once delinquent debts are converted to bad debts, records relating to those charges must be maintained in accordance with the record retention requirements outlined in [7 CFR 210.9\(b\)\(17\)](#) and [7 CFR 210.15\(b\)](#). The following records should be maintained to document the appropriate establishment and handling of bad debt:

- Evidence of efforts to collect unpaid meal charges in accordance with the State or local unpaid meal charge policy;
- Evidence the collection efforts fell within the timeframe and methods established by the State or local meal charge policy;
- Financial documentation showing when the unpaid meal charge(s) became an operating loss; and
- Evidence any funds written off as bad debt were restored to the NSFSA using non-Federal sources.

Individual Food Service Account Maintenance

For the purpose of accuracy and transparency, the CCSU shall employ a food service management computer software that maintains individual account usage details. The account details are available to responsible parties that are entitled to the account information in compliance of the CCSU or LEA privacy policy (whichever is most stringent) and United States Department of Agriculture (USDA) confidentiality requirements.

Furthermore, said software shall also comply with USDA requirements to prevent obvious and inadvertent display of an individual student's Free, Reduced or Full Price Paid meal status.

All enrolled students will have a food service program account assigned. Parent(s) or Guardians may request deactivation of their student's account. To deactivate a student's account, please a letter to the school's food service and request the named student's account be deactivated. The account will be suspended and charging prohibited.

Account Deposits and Payments

Individual accounts have an intended use as a debit account.

Deposits are accepted at individual LEA food service offices, without additional fee, service charge and without applied taxation. Receipts are available upon request.

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Alternate Deposit and Payment Methods

At the discretion of the LEA, the food service may elect to utilize software allowing individuals and families to make payments electronically using the software approved transaction method. Any third party fees associated with said transaction are the sole responsibility of the payer.

Currently, the SFA uses *MySchoolBucks* software as a customer account management tool and alternate repayment method. Details regarding *MySchoolBucks* account registration, services provided and repayment alternatives are distributed at the beginning of each school year. Information regarding *MySchoolBucks* is available throughout the school year from the SFA or LEA food service department.

MySchoolBucks charges a fee of \$1.95 per deposit or repayment transaction. This transaction fee is subject to change. All other *MySchoolBucks* services are free of charge.

Meal Charging

LEAs recognize how overcoming hunger and the importance of proper nutrition have upon the ability of a student to learn and retain the lessons imparted by educators. In support of the educational process, the various LEA food services allow students to charge reimbursable meals.

A reimbursable meal is defined as the following.

- **Breakfast** means a meal which meets the meal requirements set out in §§220.8 and 220.23, and which is served to a child in the morning hours. The meal shall be served at or close to the beginning of the child's day at school.²
- **Lunch** means a meal service that meets the meal requirements in §210.10 for lunches.³

A La Carte Charging

Child Nutrition does not recognize elective a la carte purchases as essential in the educational process. The food services, at the respective LEAs, do not support the use of food service accounts, with debit balances, the ability to charge of a la carte food items. The food services reserve the right to deny an a la carte charge sale to a student with an account that does not have a credit balance.

For reasons of speed of transaction or location of POS, the food service may mistakenly transact an a la carte charge purchase to a debit balance account. These occurrences should not be considered customer favoritism or an indicator of economic status.

CCSU and LEA contracted and non-contracted employees purchase food items on an a la carte basis only. The employees have charge limits on their accounts. The LEA food services reserves the right to deny employees charging privileges when the account charging limit is exceeded.

² [Title 7](#) → [Subtitle B](#) → [Chapter II](#) → [Subchapter A](#) → Part 210 U.S. Government Publishing Office, electronic Code of Federal Regulations.

³ [Title 7](#) → [Subtitle B](#) → [Chapter II](#) → [Subchapter A](#) → Part 210 U.S. Government Publishing Office, electronic Code of Federal Regulations.

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Student and Employee Invoices

Accounts, with a balance of \$-1.00 or less and are not receiving school meals at no cost, are invoiced. Invoices are communicated to the appropriate parties the final week of the month or at the earliest reasonable date of the new month.

Invoices may be communicated by email, hand distribution, U. S. Postal Service or by the respective LEA's student communication practices providing such practices maintain required confidentiality.

Students receiving school meals at no cost, with debit balances, may not receive regular invoices.

Repayments

Invoices are due upon receipt.

Repayments not received within 30 days of invoice issuance shall have the respective account(s) considered "delinquent". Accounts are not considered delinquent if the responsible party has entered into a mutually agreed upon and maintained repayment plan schedule between the responsible account holder and the CCSU Food Service Director or LEA Principal.

An account's responsible party is considered to be, in the case of an employee, the name of the employee to which the account is dedicated. In the case of a student, the responsible party is considered to be the student's legal parent(s) or guardian(s). Legal parent(s) or guardian(s) cannot reassign account responsibility unless the student is legally emancipated or is in possession of a court ordered reassignment of account responsibility.

Methods of repayment are identical to the aforementioned **Account Deposits and Payments and Alternate Deposit and Payment Methods**.

Repayment Plans

Food service accounts with debit balances are due prior to June 30 of the current year.

At the discretion of the SFA, unpaid meal charges may be carried over at the end of the school year (beyond June 30) as a delinquent debt and collection efforts may continue into the new school year. Food service account balances shall carry over into the next school year, within the SFA, with the following exceptions.

- A student departing the LEA/SFA may have the remaining balance transferred to a sibling's account.
- A student departing the LEA/SFA, without a sibling, may elect to donate the credit balance to a named or unnamed student's account. In the event the credit balance is donated to an unnamed student's account, said donation is transacted anonymously. The transferring account owner forfeits the right to know the recipient of the donation.
- A student departing the LEA/SFA with a credit in excess of five dollars (\$5) on the food service account and without a sibling enrolled in the same LEA/SFA will receive a refund of the remaining balance. Refund of the remaining balance will be made payable to and mailed to the Parent(s) or Guardian(s) of the account named student in the form of a business check from either the SFA or LEA. Refunds cannot be transacted in cash.
- A student departing the LEA with a credit less than five dollars (\$5) will receive a refund upon request. The refund must be retrieved from the Supervisory Union (SU) office. Refund of the remaining balance will be made payable to the Parent(s) or Guardian(s) of the account named student in the form of a business check from either

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the SFA or LEA. Refunds will not be transacted in cash. Request for refund must occur prior to June 30 of the current year. Refund may take up to 30 days from request.

- A student departing the LEA with a credit less than five dollars (\$5) and not having a refund requested, shall have the credit revert to the LEA general fund or distributed to an unnamed student's account at the discretion of the SFA. In the event the credit balance is donated to an unnamed student's account, said donation is transacted anonymously. The transferring account owner forfeits the right to know the recipient of the donation.
- A student departing the LEA/SFA with a debit balance is subject to the approved collection procedures of this policy as stated under *Approved Collection Procedures*.

Approved Collection Procedures with Potential Suspension of Charging Privileges

These are the collection procedure requirements prior to charging privilege suspension.

Step 1: The delinquent account responsible parent or guardian will receive verbal communication from the SFA. Said communication may occur as a face to face conversation, a telephone conversation or a message left on voicemail or an answering machine. Documentation of the communication is required.

Step 2: The delinquent account responsible parent or guardian will receive written notification of account delinquency. Written notification will include a payment respond by date, an invitation to set up a payment plan and notice of implementation of an administration fee for subsequent collection communication. This letter will include an Application for Free and Reduced Price School Meals. A copy of this letter must remain on file as documentation of steps to collection.

Step 3: The delinquent account responsible parent or guardian will receive written notification of account collection to school administration, Supervisory Union administration and School Board of Directors. This letter will be sent "Certified". An administrative fee shall be added to the delinquent account. The letter will include a date of expected remittance and an invitation to set up a payment plan. With this letter, an Application for Free and Reduced Price School Meals is included. A copy of this letter and evidence of "Certified" mailing must remain on file as documentation of steps to collection.

Step 4: Administrators, noted in Step 3, shall direct the CCSU Food Service Department of the next collection step of the delinquent account. The Administrators may assign an alternative entity or individual to collect the resources of the delinquent account.

Step 5: CCSU Food Service Department or other assigned entity or individual shall continue the collection process as directed by the Administrators.

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End of Year approved Account Collection Procedure

Step 1: Grades pre-k through 12: Issue Delinquency Notice.

Step 2: Grades pre-k through 12: Withhold report card when feasible.
Highest LEA grade: Withhold diploma or grade completion certificate.

Step 3: The SFA/LEA Board of Directors, at its discretion, may elect to pursue collection of student accounts via Small Claims Court or other collection procedure. If step 3 is pursued, and the SFA/LEA Board of Directors, as plaintiff, are awarded the claim amount, the claim amount shall include all fees associated with the collection action.

The LEA Principal is welcome and encouraged to contact a parent or guardian of the student with the delinquent account.

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