



### **Bad Debt and Meal Charging Administrative Guidelines**

Bad debt incurred through the inability to collect meal payment from students is not an allowable cost chargeable to any Federal program. Any related collection cost, including legal cost, arising from such bad debt after they have been determined to be uncollectable is also unallowable.

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. If the uncollectable/delinquent debt cannot be recovered by the School Meals Program in the year when the debt was incurred, then this is classified as bad debt. The funds may come from school general or dedicated accounts such as the PTL, or any other non-federal source. Once the uncollectable/delinquent debt charges are converted to bad debt, records relating to those charges must be maintained in accordance with the record retention requirements in 7 CFR 210.9(b) (17) and 7 CFR 210.15(b).

The Board will ensure that all students receive a standard meal, including those students who do not have sufficient funds in their account, or in hand to cover the cost of their full meal at the time of service. Debts incurred by the inability to collect meal payment from students will be pursued by the school principal to recover the debt incurred. The School Food Authority (SFA) with the school principal are authorized to further define and implement meal charging and debt collection procedures within these administrative guidelines. These administrative guidelines will provide consistent directions for students.

The SFA will provide written information on meal charging and debt collection procedures at the start of each school year and to households transferring to the school during the school year.



### USDA Nondiscrimination Statement 2015

**This 2015 version is only allowable if the school food authority is claiming a religious exemption.**

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, sex, disability, age, or reprisal or retaliation for prior civil rights activity in any program or activity conducted or funded by USDA.

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To file a program complaint of discrimination, complete the [USDA Program Discrimination Complaint Form](#), (AD-3027) found online at:

[http://www.ascr.usda.gov/complaint\\_filing\\_cust.html](http://www.ascr.usda.gov/complaint_filing_cust.html), and at any USDA office, or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter 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: (202) 690-7442; or
3. email: [program.intake@usda.gov](mailto:program.intake@usda.gov).

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