

CHARGE POLICY

GUIDANCE FOR SCHOOLS



SCHOOL MEALS

WHAT IS A CHARGE POLICY?

Charge policies outline how school nutrition program contracting entities (CEs) handle providing meals to students when payment cannot be collected at the point of service.

Charge policies should be reasonable, well defined and maintain the integrity and dignity of students and households to minimize harm to the student.

LOCAL CHOICE

Charge policies are created at the local level which allows the flexibility to meet the locally determined goals of each CE.

REQUIREMENTS FOR CHARGE POLICY

A CE must communicate its charge policy to households, including the number of meals or dollar amount students are allowed to charge and the methods for informing households that a student's maximum charge amount has been reached. The CE must apply the charge policy consistently and must not charge additional fees or interest. The CE may allow repayment plans.

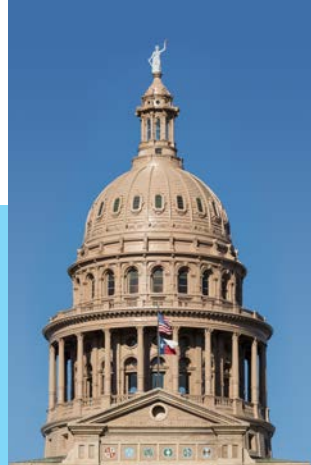
GRACE PERIOD

Charge policies at school districts and charter schools must include a grace period during which students are able to charge meals after prepaid funds are exhausted.



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FINANCIAL IMPACT

A contracting entity (CE) may carry a student's delinquent unpaid balance for the academic school year in which the debt occurred and one additional year in certain circumstances. Unpaid debt that exceeds the allowed delinquent debt period is then reclassified as bad debt. All bad debt must be cleared by July 1 of each year using non-school-nutrition-program funds. The CE may continue to attempt to collect the debt, but school-nutrition-program resources cannot be used for this purpose. Any payments received after the debt has been cleared must accrue to the general fund. Please see the Administrator's Reference Manual (ARM) for details at www.SquareMeals.org.

BEST PRACTICES

CEs should enact policies that are fair to everyone while meeting the needs of the partners, students and CE.

CEs should ensure that policies adequately encourage payment from those who are fiscally responsible for the charges and do not punish students.

CEs should employ a variety of outreach strategies to communicate charge policies to families and students.

USDA guidance provides options for CEs that choose to offer a lower cost meal to students with a negative meal balance. Please see the Administrator's Reference Manual (ARM) for details at www.SquareMeals.org.



TO LEARN MORE
Visit www.SquareMeals.org
Call TDA at (877) TEX-MEAL



TEXAS DEPARTMENT OF AGRICULTURE
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