## 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 uncollectible/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 the district general fund, state or local funding, school or community organizations such as the PTA, 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 District in an effort to recover the debt incurred. The Superintendent is 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 District 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 district during the school year.

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