

Recommended Topics for Delinquent/Bad Debt Policies for SFAs

As provided in SP 46-2016, no later than July 1, 2017, all SFAs operating the Federal school meal programs are required to have in place a written meal charge policy. Within that required policy, FNS recommends SFAs explain the collection methods the SFA will use and the conditions under which each will be initiated.

Specific topics recommended by FNS include the following:

1. How many days will a household's debt be delinquent before the SFA requests payment?

Number of Days: _____

2. What procedures are in place for determining if children with delinquent meal charges are eligible for free or reduced price meal benefits?

Provide examples (i.e., encouraging the child's household to submit an application):

3. How will households be notified of unpaid meal charges, expected payment dates, and collection efforts?

Describe household notification strategies:

4. How will repayment plans, with payment levels and due dates appropriate to a household's particular circumstances, be established?

Describe establishment of repayment plans, including any key considerations (i.e., a job loss in the household):

5. Will children with a small number of charges, in terms of dollars, be permitted to accumulate a larger debt before the SFA pursues recovery?

Yes

No

If so, what is the threshold?

6. What efforts will be made to collect household debt?

Describe debt collection efforts:

<p>7. Who will initiate household debt collection procedures?</p>	<p><i>Explain who is responsible for initiating collection procedures (e.g., food service manager, school principal, superintendent's office, etc.):</i></p> <p>_____</p> <p>_____</p> <p>_____</p>		
<p>8. Who will determine whether the achievement of program purposes would be jeopardized by the diversions of staff time and effort to collect payment?</p>	<p><i>Explain who is responsible for assessing debt collection efforts (e.g., food service manager, school principal, superintendent's office, etc.):</i></p> <p>_____</p> <p>_____</p> <p>_____</p>		
<p>9. Is there a cumulative dollar threshold beyond which the SFA will escalate the collection method?</p>	<table border="0" style="width: 100%;"> <tr> <td style="width: 15%; vertical-align: top;"> <input type="checkbox"/> Yes <input type="checkbox"/> No </td> <td style="vertical-align: top;"> <p><i>If so, what is the threshold?</i></p> <p>_____</p> <p>_____</p> </td> </tr> </table>	<input type="checkbox"/> Yes <input type="checkbox"/> No	<p><i>If so, what is the threshold?</i></p> <p>_____</p> <p>_____</p>
<input type="checkbox"/> Yes <input type="checkbox"/> No	<p><i>If so, what is the threshold?</i></p> <p>_____</p> <p>_____</p>		
<p>10. How will funds be obtained to restore the unallowable bad debt to the NSFSA?</p>	<p><i>Explain from where funds to restore the NSFSA will be obtained:</i></p> <p>_____</p> <p>_____</p> <p>_____</p>		