

United States
Department of
Agriculture

Food and
Consumer
Service

Midwest
Region

77 W. Jackson Blvd. - 20th Floor
Chicago, IL 60604-3507

Reply to

Attn of: MWCN-101: NT 2-1

February 3, 1994

Subject: FY 94 School Programs Memorandum #3
Recourse for Schools When Money is Owed to Food Service Account

To: State Directors
Child Nutrition Programs

We have received many inquiries about whether schools can deny current meals to students because of past due accounts. These situations appear to be occurring more frequently due to the increase in use of automated systems.

In many situations, it is a school with an automated counting and billing system in which students may charge their meals and then repay the cost at a later date. As an example, if a student builds meal charges to \$50, the school then has requested permission to deny meals to that child until the \$50 is repaid.

Regulations require that school officials provide reduced priced or paid meals to eligible children if they have money in hand to pay for the current meal. Children who are eligible for free meals must also be provided a meal even if the student owes money (e.g., for second meals purchased). If these children were denied meals, this would violate Instruction 791-1, which prohibits the denial of meals as a disciplinary action. Therefore, even if a student's food service account includes an uncollected amount, the school must provide a meal when the student has money for the current day's meal.

In extension of this policy, a school cannot deny current meals due to a past due account when the child is prepaying for future meals and states that the prepayment is for future meals only. Unless the household agrees to allow funds to be used for amounts owed, school officials must apply the prepayment towards future meals. This is one reason that schools generally limit the length of time that children are allowed to charge meals. If the household fails to pay, this policy lessens the loss.

However, schools may deny a meal to a student who pays reduced or full price and who does not provide the required payment for that meal. In other words, the school is not required to allow the student to charge additional meals but is required to serve a meal when the student has money to pay for it.

Finally, a school or school district does have recourse to collect delinquent debt. A school may take legal action against a household which has not settled its food service debt. This action may include taking the household to small claims court. In which case, fees incurred during the process of collecting the delinquent debt, such as legal or court fees, may be charged to the food service account. It is recommended that schools and/or school food authorities develop a standard policy regarding charged meals, especially in the area of limiting the number of charged meals. Households could then be informed of such policies in the parent letter/application process.

If you have any questions regarding this policy, please contact our office.

THERESA E. BOWMAN
Regional Director
Child Nutrition Programs