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When Kids Can't Pay

By Patricia L. Fitzgerald

» Don't let your meal charge policy become a source of "shame."

School lunch shaming. It's a horrible, but catchy, media-created phrase to describe the response by school nutrition operators when students are unable to pay for their meals.

The issue paints cafeteria staffers as callous and uncaring when encountering a student who has exceeded the limit of "grace" meals due to an unpaid balance on his or her account.

In some news reports, a cashier or other staffer is insensitive in the manner with which subsequent procedures are handled. Anyone working in or around the school nutrition profession physically flinches to hear accounts of trays being ripped from young hands or other decidedly unfriendly behaviors. While we can only hope these incidents don't involve SNA members, the entire profession still gets a black eye.

On other occasions, there is an outcry over "lunch shaming" even when alternate service is discreet and policies are implemented with compassion. "No school nutrition professional wants to see a child go hungry or feel any shame during mealtime—we dedicate our lives to providing access to healthy balanced meals to all students. While we can't speak to every district, overwhelmingly, schools today are working to minimize any stigma associated with free or reduced-price meals," said SNA in a 2017 press release addressing news reports on the topic.

Nonetheless, the issue of school lunch sham-



ing seems to rear its sensationalized head every few months. This past winter, it arose in several communities, putting school nutrition directors on the defense, but also generating benevolent contributions to so-called Angel Funds earmarked to pay down student meal debts. Another potentially positive consequence: The media attention has spurred introduction of legislative proposals in (at press time) nine states seeking to address the issue. Some of these proposals call for increased funding and/or universal free meals to all students, positions SNA has long supported.

How much do you know about the federal requirements related to meal charge policies? You may know the process for responding when the POS system indicates that a student has exceeded his or her allotted charges, but how much do you know about the specifics of the policy in your district? Do you understand the serious consequences that unpaid meal charges have on your school nutrition operation? Are you prepared to have a respectful, professional conversation on the topic

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with a parent or a principal? In this article, *School Nutrition* will seek to provide you with a basic overview to help you take charge of your charge policy.

WHY DO WE NEED A POLICY? As you know, in most communities, students who do not qualify for free meals (or whose families have not completed the necessary paperwork) must pay full or a reduced price for those meals. (There are some districts that are eligible to participate in federal programs like the Community Eligibility Program [CEP], in which all students in a designated school receive free meals.) In addition, any food or beverage items that are not part of the reimbursable meal are sold on an a la carte basis.

In the vast majority of school districts today, all students are assigned individual accounts for school meals. The POS system knows whether the youngster is receiving a free meal or whether money is to be drawn from a bank account or a credit card. Such technologies help to protect the identity of students who are at an economic disadvantage, while also providing operational efficiency. But the transition away from cash payments has made it easier for student debt to accumulate over time.

School meals are as important to learning as textbooks and pencils—ideally, there would be sufficient funding to serve *all* students free meals. But this is not the case today. In fact, for under-funded school meal programs, unpaid school meal debt can grow to such an extent that it impacts the quality of meals for all students—and even cuts into education budgets. SNA's *2016 School Nutrition Operations Report* found that three-quarters of all reporting school districts had unpaid meal debt! Nearly 38% of survey respondents indicated that the number of students charging meals had increased since 2014.

Why are these numbers on the rise? There are many factors that influence the situation. Some families that would qualify for free or reduced-price meals



fail to complete the applications for varying reasons. It may be a fear of being in the “system,” especially for parents who are immigrants. It could be a literacy issue. Or parents may perceive they are experiencing only a short-term financial difficulty. In some cases, families receive the reduced-price meal benefit, but it's insufficient to cover their costs. There are also rare instances of parents who take advantage of the system, simply refusing to pay for their children's meals.

WHAT'S REQUIRED WHEN IT COMES TO MEAL CHARGE POLICIES?

USDA requires that all school food authorities (SFAs) operating federal school meal programs to have in place a written and clearly communicated policy for managing meal charges. Note the word “policy.” Standard practices, such as “we always do it this way” are insufficient. Your policy *must* be a written document that explains how you will handle applicable situations. The policy must include all serving sites in the SFA. For example, you may have one set of procedures for elementary sites and another for secondary schools, but both of these must be

spelled out in your policy.

Beginning this year, SY 2017-18, written communication about the policy must be distributed to all households in the district. Documentation on the methods for that communication process to families is required for the Administrative Review. The written policy also must be provided to foodservice staff, social workers and any school/district administrators or other staff involved with assisting families.

School meal operations are not *required* to provide an alternate meal to students with a negative account balance, but are encouraged to offer a reimbursable meal to prevent overt identification. Indeed, SFAs seeking reimbursement for alternate meals must show that they meet meal pattern requirements. The cost of a non-reimbursable meal must be covered using non-federal funds. These, then, are subject to Smart Snacks requirements. In the case of children with disabilities who have unpaid meal charges, they must be provided an alternative meal that is safe for them to consume.

MAKE YOUR POLICY WORK FOR YOU

Those are the bottom-line rules. There are also a number of recommended steps you can take to develop and implement a gold-standard policy that serves students, their families, the foodservice operation and the overall district.

Don't Go It Alone. Stakeholder buy-in can make all the difference in how your meal charge policy is supported or decried in your community. Start by forming a committee to help draft the document. It should include district leaders, such as a member of the school board, the superintendent and the business manager.

Consider involving representatives from other groups, as well. This includes building administrators and support staff, central office staff, someone from accounts payable, students, parents, teachers—and, of course, school nutrition staff.

Review the Data. Be prepared to



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"When Kids Can't Pay"

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(Please Print)

Name: _____

SNA Member Number: _____

Address: _____

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Email: _____

1. "School lunch shaming" is a regulatory term.

True False

2. Charitable donations specifically earmarked to pay student meal debt are often called ___ Funds.

Oprah USDA Foods
 Parental Support Angel

3. Food and beverage items not part of the reimbursable meal are ___.

free to "free" students
 free to "paid" students
 sold on an a la carte basis
 none of the above

4. SNA research found that in 2016, ___ of all responding districts had unpaid meal debt.

one-quarter
 one-third
 one-half
 three-quarters

5. Unpaid meal debt can accumulate when families eligible for free meals fail to complete the application.

True False

6. ___ requires school food authorities operating federal school meal programs to have a written policy for managing meal charges.

Wells Fargo Bank USDA
 FDA None of the above

7. Beginning in SY ___, written communication of meal charge policies must be provided to all households.

2015-16 2016-17
 2017-18 2018-19

8. The government mandates that an alternate meal always be provided to students with meal debt.

True False

9. Meal charging policies should make sure to establish ___.

limits to the number of meals that can be charged
 whether a la carte items can be served
 how delinquent accounts are monitored
 all of the above

10. Federal rules require school food authorities to obtain approval from the school board for any meal charging policy.

True False

provide the committee with pertinent data about the trends of unpaid meal debt in your district in recent years. Include costs related to collection processes and alternate meals. How did this affect the bottom line of the school nutrition operation? Can you show a correlation to improvement projects that were sidelined, such as the purchase of new equipment? Did the state require the district to make up the shortfall from the general fund?

Be sure stakeholders understand that foodservice funds are not allowed to be used to cover "bad debts"—charges for meals outside of the current school year. This is a federal stipulation. Foodservice funds are allowed to cover "delinquent accounts," which are charges in the current school year. After June 30th, any accounts that are delinquent become bad debt. Angel Funds and/or contributions from local businesses, churches or groups such as the Rotary or Lions Club can be used to pay off bad debt.

Determine an Overall Philosophy.

Ask your group: What are your opinions about meal charging? Is it always appropriate? Never? Only in certain circumstances? What are the financial costs of various options? Are there less-tangible costs, such as public perception and hungry children?

Consider all the Angles. Your committee should discuss a wide variety of factors that can make or break how your policy actually works:

» What can be charged? Meals? A la carte items? Both?

» Does this policy apply to all meals and serving periods (breakfast, lunch, snacks, concessions)?

» Are there limits—number of meals and/or total dollar amounts—on charging?

» Will you provide alternate meals? To all students at all grade levels? Are there any exceptions? Will these meals be reimbursable? How will alternate meals be served?

» Will the rules of your policy vary by grade level or building?

» How will delinquent accounts be

TEST COMPLETION & SUBMISSION DETAILS

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monitored and managed? How will bad debt be collected?

» What is the debt threshold for various delinquent account stages? When will you send letters versus making phone calls versus contracting with collection agencies?

» How does your policy address students who are graduating?

» Does your policy apply to adult food/meal purchases?

Get Board approval. This is not a requirement, but it's an excellent practice. When your school board

approves your meal charge policy, it provides you with support should your policy and practices be questioned by parents or the media."

Communicate the Policy. Go beyond the basic requirement to notify households of the meal charge policy. Add the policy to your food-service web pages, as well as other pertinent pages on the district's site. Suggest it be included in a student handbook or other resource given to families. Similarly, you may want to develop a public relations plan to counter any negative publicity from parents or students about your meal charge policy.

Use Available Technologies. Make it easy for parents to monitor account balances and make payments. Use account alerts and other automatic notifications. Consider payment plans to assist struggling families.

Train Staff. It starts with exploring the culture shift related to any change in policy. Make sure team members understand *why* you've adopted a new or revised policy. You want them to be able to capably answer questions from parents or students. Review the specific procedures at each stage. What triggers a warning? What triggers an alternate meal? Role play scenarios to ensure that front-line staff are confident in always providing the highest level of customer service.

Ready to take your meal charge policy from the walk of shame to the hall of fame? Work together, find practical solutions and never behave in a way that undermines your program's compassion for all the students it serves. **SN**

Patricia Fitzgerald is editor of SN. "Take Charge of Your Charging Policy," an ANC17 presentation by Sue Bevins and Kristen Hennesey, was a source for this article. SNA members can log into SNA's website to check out the PowerPoint and access a sample policy, form letters to parents and phone/email scripts at <https://tinyurl.com/ChargePolicyANC17-SNMag>.



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