

ATLANTA COMMUNITY SCHOOLS

Food Service Bad Debt Policy

PURPOSE

The purpose of this policy is to establish consistent district practices that must be taken to designate an account as uncollectible and to remove such accounts from the Nonprofit School Food Service Account.

GENERAL STATEMENT OF POLICY

Bad debt is defined as uncollectable meal balances for inactive students as of June 30th that have not been collected by December 31st of the same calendar year (six months). Any related collection costs and related legal costs arising due to the collection of inactive unpaid meal charges throughout that current school year and six- moth collection period thereafter are an allowable cost to the Nonprofit School Food Service Account.

Once inactive unpaid meal charges are written off as bad debt, collection or legal costs become an unallowable cost in the Nonprofit School Food Service Account per Federal regulations (2 CFR 200.426). No later than December 31st each year the Nonprofit School Food Service Account must write off inactive uncollectable meal charges as bad debt from non-federal fund to make the Nonprofit School Food Service Account whole.

BAD DEBT (UNCOLLECTABLE MEAL BALANCES)

To avoid unpaid charges, parents or guardians are encouraged to monitor and/or pay on their child's meal account with cash or check. Schools recognize the importance of eating a healthy meal while at school, and have worked with their Food Service staff on a plan to remind parents when charges are near their limit. Once the student nears his/her limit, the Food Service staff could provide any of the following reminders in an effort to help the student continue to receive school meals:

- Student receives a verbal reminder
- Parent or guardian will receive a monthly balance notification via mail
- E-mail
- Telephone call

Parents and guardians are responsible to pay off their child's meal account. Any unpaid charges at the end of the school year remain the responsibility of the parent or guardian and will follow the student to the next school year.

By December 31st each year the Nonprofit School Food Service Account will write off inactive uncollectable meal charges.

- Graduating students will be reminded again during graduation practice of any unpaid balances. All fees must be paid before graduation, students with any fees will not have the privilege of walking in Graduation Ceremonies.

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- Students exiting the district that have an unpaid balance will receive a balance notification via mail and sent with their school records to the receiving school.
- Funds will come from the district general fund, agency fund, or any other non-Federal source available to pay off the unpaid balance in the Nonprofit School Food Service Account.
- Central office staff will zero out the inactive uncollectable meal balance in the POS system and request non-federal funds to pay off the Bad Debt in the Nonprofit School Food Service Account.

Central office staff will diligently work with Food Service staff to collect unpaid balances throughout the year so unpaid balances do not become Bad Debt (Uncollectable Meal Balances).

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