



STATE OF CONNECTICUT
DEPARTMENT OF EDUCATION



TO: Sponsors of the National School Lunch and Breakfast Programs

FROM: Cheryl Resha, Education Manager *Cheryl Resha*
Bureau of Health/Nutrition, Family Services and Adult Education

DATE: August 5, 2010

SUBJECT: Operational Memorandum #19-10
Unallowable Charges to Non-profit School Food Service Accounts and the Serving of Meals to Non-paying Full and Reduced Price Students

This operational memorandum serves as a reminder that according to the United States Department of Agriculture (USDA) “bad debts, including losses (whether actual or estimated) arising from uncollectible accounts and other claims, related collection costs, and related legal costs are **unallowable.**” *Therefore, funds from the non-profit school food service account (including dollars received for a la carte sales, catering, etc.) cannot be used to cover the cost of charged meals that have not been paid.* This guidance was originally outlined in Operational Memorandum #18-09 that was issued last year.

Additionally, the USDA has not offered any further guidance regarding whether schools/districts are required to provide meals to non-paying full or reduced price students as well as what elements need to be included in a charging policy. Until further USDA guidance is issued, the USDA has indicated that schools/districts may opt to provide an alternate meal such as a cheese or peanut butter sandwich at no charge to the student. Since the student is not being offered the required menu items, this type of meal is not reimbursable and the full cost must be borne by the school/district using funds that do not come from the school food service account. Schools/districts may also choose to serve a reimbursable meal to non-paying students so that some funds are received to offset food and labor costs. Schools/districts that are providing meals to non-paying students should **establish a written policy** on what food will be provided to non-paying full or reduced price students as well as their policy on the charging of school meals. *Schools/districts must also make this written policy widely available to parents, guardians and students.*

Questions pertaining to this memorandum may be directed to:

| COUNTY | CONSULTANT | E-MAIL | PHONE |
|--------------------------|-----------------|--|--------------|
| Hartford and Windham | Teri Dandeneau | teri.dandeneau@ct.gov | 860-807-2079 |
| Litchfield and Middlesex | Fionnuala Brown | fionnuala.brown@ct.gov | 860-807-2048 |
| Fairfield and New London | Jackie Schipke | jackie.schipke@ct.gov | 860-807-2123 |
| New Haven and Tolland | Bob Zwack | robert.zwack@ct.gov | 860-807-2081 |

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Important: This is a numbered Operational Memorandum that contains important program information. Please read carefully and retain in a binder for your future reference. Operational Memoranda are also posted on the Child Nutrition website:
<http://www.sde.ct.gov/sde/cwp/view.asp?a=2626&q=320676>