

Meal Payments

Simplifying payment systems, offering multiple payment options, and reminding families before a balance is due can help schools reduce unpaid meal charges. This section highlights strategies schools can use to encourage families to keep their child's account balance positive.

Payment Options

Taking steps to make payment more convenient for families, such as offering an online payment option, can help reduce unpaid meal charges. However, SFAs cannot exclusively use an online system. SFAs using an online payment system must provide an alternative option to meet the needs of families who do not have access to a computer or who prefer to make their payment in person.

In addition, as stated in [SP 02-2015: Online Fees in the School Meal Programs](#), SFAs must include at least one no-cost method of payment. For example, an SFA could allow children to bring money to the cafeteria to purchase a meal at the time of the meal service. SFAs also may consider covering any fees associated with using the system for low-income families.



Families must be notified about all payment systems used by the SFA, including any fees associated with specific payment options. This section describes four payment strategies SFAs and schools could use to simplify the payment process for families.

Pre-Payment Systems

Encouraging families to pre-pay for meals at the paid or reduced price rate can help to ensure children have consistent access meals without accruing unpaid meal charges. The pre-payment system could include a feature to allow for parental restrictions that would be followed at the point of service, allowing parents and guardians to limit the amount of funds their children could use daily. For example, the system could allow families to place specific limits on à la carte purchases.

Some SFAs provide incentives, such as prize drawings, for families opting to pre-pay for meals. Any incentives offering discounts for families who pre-pay for meals at the paid rate must meet paid lunch equity (PLE) pricing requirements.¹⁷ PLE aims to ensure the revenue brought in from the sale of lunches served to students not certified eligible for free or reduced price meals (i.e., “paid meals”) is adequate to cover the cost of providing those meals.

¹⁷ See: [SP 09-2016: Paid Lunch Equity: School Year 2016-2017 Calculations and Tool](#).

Likewise, pre-payment systems for children approved for reduced price meals must ensure that all meals paid for are actually received or that the funds are carried over or are refunded. Federal regulations are clear that reduced price lunches may not exceed 40 cents and reduced price breakfasts may not exceed 30 cents. Payment for any meals not received by a student approved for reduced price meals must be refunded to the household.

Online Payment

Allowing families to add money to their child’s account from a computer or mobile device has made payment more convenient for families nationwide. According to some school food service professionals who commented on the RFI notice *Unpaid Meal Charges*, online payment options also may decrease unpaid meal charges.

“I make every effort to keep parents informed of their account status. This includes having a free online system for monitoring meal accounts, emailing families, and calling families on the phone.”

*- Food Service Professional,
California*

Often, even families who do not opt to pay using the online system can access the system to check their child’s account balance. Some families may not realize how much their child is spending in the cafeteria each day, especially if the child is purchasing à la carte items in addition to their reimbursable breakfast and lunch. Encouraging families to regularly check their account balance and track their child’s spending can help prevent households from accruing unpaid meal charges.

Automatic Payment

Many online payment platforms include an optional feature families may use to automatically add money to their account when they reach a set dollar amount. Families using these systems may also set up a “low balance warning” to ensure they are notified promptly when a payment is needed. According to comments submitted in response to the RFI notice, some families wait for a negative balance letter to arrive before adding funds to their child’s account. Encouraging use of automatic payment and payment reminders may prevent families from accruing debt. For more information on this strategy, see [Payment Reminders](#).

Repayment Plans

At the discretion of the State or SFA, unpaid meal charges may be carried over at the end of the school year (beyond June 30) as a delinquent debt and collection efforts may continue into the new school year. This allows SFAs to work with families to establish repayment plans and makes the process of paying back meal charges more manageable for families. Repayment plans are especially helpful for households just above the threshold for free or reduced price meals and households where the primary income earner is a seasonal worker who may collect more income at certain times of the year. For more information, see [Clarification on Collection of Delinquent Meal Payment](#).

Payment Reminders

Proactively reminding families of their child’s low account balance was consistently cited as a best practice during FNS’ examination of unpaid meal charges. When sending payment reminders, FNS encourages SFAs to communicate in a variety of ways to ensure the reminder reaches all families.

Several payment reminder ideas are discussed in the table below. Many SFAs use multiple payment reminders, trying a different approach if families do not respond or do not make a payment following the initial reminder. For example, the school food service may send a written notice to all families with an account balance of +\$5 to \$0; send a formal letter to families with an account balance of \$0 to -\$5; make a personal phone call to families with an account balance of -\$5 to -\$10; and refer excessive negative balances to the school principal or school finance director, who may provide additional follow up as appropriate. Regardless of the strategy used, FNS strongly encourages SFAs to communicate directly with adults in the household if a payment is overdue, rather than communicating with or through the child.

Payment Reminder Options	
Written	SFAs may send discreet payment notices directly to a family’s email account. General payment reminders for all families may be included in the school newsletter, on the lunch menu, or with student “take-home folders.” A Sample Outstanding Balance Letter is included in the appendix.
Verbal	School officials may call families on the telephone to remind them to refill their child’s account. Many SFAs choose to communicate payment reminders using a “robo-call” system to contact families on a weekly or bi-weekly basis, as needed. Sample Robo-Call Scripts are included in the appendix.
Automated	SFAs using an online payment system may send automated alerts when a child’s balance reaches a low level, such as \$5 or \$10. With household authorization, SFAs may also send automated text message alerts.
In Person	A trusted school official may reach out to families with unpaid meal debt in person. Meal charges may be a sign of other challenges facing a family. Having a trusted school official assess the situation firsthand can help the school determine the appropriate response for each individual family.
With Other Payment Reminders	Schools may include all outstanding payments, including fees for books, school uniforms, and unpaid meal charges, when sending notices to families. This streamlines communications, helps families track their payments, and was cited as a best practice during the FNS webinar The Challenges of Unpaid Meals: Proven Strategies from Our Nation’s Schools .