

Livonia Public Schools
Food & Nutrition Services Department
Uncollectable Debt Policy

Uncollectable debt incurred through the inability to collect lunch payment from students is not an allowable cost chargeable to any Federal program. Any related collection cost, including legal cost, arising from such bad debt after they have been determined to be uncollectible are also unallowable.

Uncollectible debt is delinquent debt that has been determined to be uncollectible by the end of the school year in which the debt was incurred. If the delinquent debt cannot be recovered by the School Meals Program in the year when the debt was incurred, then this is classified as uncollectible debt. Once classified as uncollectible debt, non-Federal funding sources must reimburse the NSFS for the total amount of the uncollectible debt. The funds may come from the district general fund, State or local funding, school or community organizations such as the PTA, or any other non-federal source. Once the delinquent debt charges are converted to uncollectible debt, records relating to those charges must be maintained in accordance with the record retention requirements in 7 CFR 210.9(b) (17) and 7 CFR 210.15(b).