



**United States  
Department of  
Agriculture**

Food and  
Nutrition  
Service

3101 Park  
Center Drive  
Alexandria, VA  
22302-1500

**DATE:** January 22, 2014

**MEMO CODE:** SP 17-2014

**SUBJECT:** Discretionary Elimination of Reduced Price Charges in the School Meal Programs

**TO:** Regional Directors  
Special Nutrition Programs  
All Regions

State Directors  
Child Nutrition Programs  
All States

The purpose of this memorandum is to clarify for State and local operators of the school meal programs the permissible use of funds from the nonprofit school food service account to lower or eliminate reduced price student meal charges.

At the discretion of the School Food Authorities (SFA), participating schools and institutions that are not operating a special provision may offer meals at no cost to students who would otherwise qualify for reduced price benefits. The expenditures associated with covering the reduced price student payments may be funded from the nonprofit food service account. Schools electing to take advantage of this flexibility continue to receive Federal reimbursement based on meals claimed by students in the reduced price category. Only paid students will be charged for meals. SFAs are permitted to implement this option selectively between the Programs (National School Lunch and School Breakfast) and serving sites they operate.

Alternatively, SFAs might consider decreasing the reduced price charge rather than eliminating it entirely, or decreasing it incrementally to better ensure the integrity of the nonprofit school food service account. Lowering or eliminating the reduced price charge will lessen or remove any financial barriers to access that these students might experience. SFAs are advised to conduct a thorough analysis of their current and projected operating costs to ensure that they are able to maintain operations and meal quality without the revenue generated from charging students for reduced price meals.

Regional Directors

State Directors

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State agencies are reminded to distribute this memo to program operators immediately. SFAs should contact their State agencies for additional information. State agencies may direct any questions concerning this guidance to the appropriate Food and Nutrition Service Regional Office.

Sincerely,

**Original Signed**

Cynthia Long

Deputy Administrator

Child Nutrition Programs