

**Date:** July 11, 2025

**Memo code:** SP 18-2025

**Subject:** Guidance on Fees for Electronic Payment Services in the School Meal Programs

**To:** Regional Directors, Child Nutrition Programs, All Regions  
State Directors, Child Nutrition Programs, All States

### **Purpose**

This memorandum provides revised guidance for school food authorities (SFAs) participating in the school meal programs<sup>1</sup> regarding fees charged when families use electronic payment services to add money to school meal accounts. It also reminds SFAs that they must offer a free and accessible method for all families to add money to school meal accounts. In line with USDA Secretary Brooke Rollins' priorities, this refreshed guidance reduces administrative burden and clarifies statutory, regulatory, and administrative requirements.

This memorandum rescinds, effective immediately, *SP 04-2025: Fees for Electronic Payment Services in the School Meal Programs*, issued on November 1, 2024, and supersedes *SP 02-2015: Online Fees in the School Meal Programs*, issued on October 8, 2014.

### **Background**

Many SFAs provide electronic payment options for families to add money to student school meal accounts. Companies providing these electronic payment options generally charge fees to the SFA or the user for processing the payments.

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<sup>1</sup> For the purposes of this memorandum, *school meal programs* include the School Breakfast Program, Special Milk Program, and National School Lunch Program, including Afterschool Snacks.

[FNS Instruction 782-6, Fees for Lunchroom Services](#), explains the Food and Nutrition Service's (FNS) longstanding policy that students participating in school meal programs may not be charged additional fees beyond the basic meal charge for services provided in conjunction with the delivery of these programs. Since publication of FNS Instruction 782-6 in 2010, electronic payment options have become increasingly popular. FNS is committed to ensuring the policy for electronic fees maintains access to healthy school meals while reducing burden for SFAs.

### **Requirements for Fees for Electronic Payment Services**

Families that choose to use electronic payment services may be charged a fee, but only if SFAs **also offer a free and accessible method** for all families to add money to student meal accounts. SFAs must notify families of available payment options and any associated fees in ways that are easy to find and understand.

Additionally, SFAs must provide a method of making deposits to student meal accounts to meet the needs of families who do not have access to a computer, do not have a bank account, or prefer to make their payment by other means. Common methods of meeting these requirements include accepting cash or checks at school or by mail.

### **Best Practices and Strategies**

SFAs can increase awareness of payment options, including free payment methods, by including information in:

- The meal charge policy provided to all families at the start of each school year and to families transferring to the school during the school year.<sup>2</sup>

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<sup>2</sup> Please see [SP 23-2017, Unpaid Meal Charges: Guidance and Q&A](#), Question 5, for additional information and suggested methods of communication.

- All communications regarding meal payment options, including the school district's website, emails, and menus.
- Notices sent to families when a student's meal account balance is low.
- The website used for the fee-based electronic payment service.

When providing information about school meals, SFAs should include a phone number for a designated person to call for information about free methods to add money to a student's meal account.

While no longer required, it is still a best practice to **not** charge additional fees for electronic payment options or to work with service providers to limit fees. If fees are charged, SFAs are encouraged to use electronic payment systems that allow bank account/ACH transfers, as these fees are typically lower than fees for credit card transactions. SFAs also may use funds from the general fund, donations from outside organizations, or funds from the nonprofit school food service account to cover the cost of fees for electronic payments for school meals.

State agencies are reminded to distribute this information to program operators immediately. Program operators should direct any questions regarding this memorandum to the appropriate State agency. State agencies should direct questions to the appropriate FNS Regional Office.

*for*

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Child Nutrition Programs