

**Michigan Department of Community Health
Division of Chronic Disease and Injury Control
HIV Care Section**

MDCH Ryan White Program Guidance #14-03
Incentives

PURPOSE

This guidance sets forth requirements related to accounting for gift cards used as incentives for client participation.

BACKGROUND

Ryan White funds allow grantees and sub-recipients to use gift cards for client incentives, with some conditions:

- Gift cards may not be redeemed for cash; VISA and MasterCard pre-paid cards are not allowed.
- Gift cards may not be used for unallowable items, including but not limited to, purchase of alcohol, tobacco, illegal drugs or other substance, or firearms. They also may not be used to purchase tickets to entertainment, recreational or sports events, or clothing. For further explanation see HRSA Policy Notice 10-02.

INSTRUCTIONS

1. *Sub-recipients must have a written policy for providing incentives to project participants. At a minimum the policy must address:*
 - Potential IRS tax implications
 - Cost basis used to determine that the amount is consistent with the impact participation poses on the daily life of the project participant.
 - Annual dollar limit to any one individual.
2. *Sub-recipients must have written procedures for implementing policy on incentives to project participants. At a minimum the procedures must address:*
 - Provision that individual recipients of gift card incentives must sign a statement acknowledging and agreeing to the purposes of and restrictions (i.e., unallowable costs) of the incentive.
3. *Sub-recipient must maintain appropriate documentation for each participant gift card. At a minimum this includes:*
 - List of each gift card by number with name of participant who received the card with that number, the value of the card, the date the card was provided to the participant, and the purpose for which the participant received the incentive.
 - Copy of the participants signed acknowledgement/agreement.
 - Record of the number of incentives and cumulative total amount received by each participant during each contract year.

4. *The purchase of incentives must be explicitly identified in the budget submitted for the annual contract and all amendments. The budget narrative should describe the purpose of the incentives, the individual value and total cost, and a description of the type of incentive (e.g., gas card). Sub-recipients will be monitored for policy and procedure at the annual site visit, and review of records related to incentives may be reviewed at any time.*