**Store Cards and Incentives Policy**

HIV and STD Related Grants

**Agency Name:**

**Approved By:**

**Title:**

**Signature of Approval: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_­­­\_\_\_\_\_\_\_\_\_\_**

**Date Approved:**

# **Purpose**

## The purpose of this policy is to set forth requirements related to accounting for store cards used as incentives for client participation in HIV & STD related activities.

# **Definitions**

## Responsible Employees: Any employee who has the authority to approve, secure, sign-out, or distribute a store card to the client.

## Client Eligibility: Clients can receive a store card for participation in a HIV testing event hosted by the agency.

# **Allowable Uses and Limits**

## Store cards purchased using funds for HIV & STD can be used for client incentives, with some conditions.

### Store Cards may not be redeemed for cash; VISA and MasterCard pre-paid cards are not allowed.

### Store cards may not be used for unallowable items, including, but not limited to the following:

* Off-premises social or recreational activities (movies, vacations, gym memberships, parties, retreats)
* Medical Marijuana
* Purchase or improve land or permanently improve buildings
* Direct cash payments or cash reimbursements to clients
* Clinical Trials: Funds may not be used to support the costs of operating clinical trials of investigational agents or treatments (to include administrative management or medical monitoring of patients)
* Clothing: Purchase of clothing
* Employment Services: Support employment, vocational rehabilitation, or employment-readiness services.
* Funerals: Funeral, burial, cremation or related expenses
* Household Appliances
* Mortgages: Payment of private mortgages
* Needle Exchange: Syringe exchange programs, Materials, designed to promote or encourage, directly, intravenous drug use or sexual activity
* International travel
* The purchase or improvement of land
* The purchase, construction, or permanent improvement of any building or other facility
* Pets: Pet food or products
* Taxes: Paying local or state personal property taxes (for residential property, private automobiles, or any other personal property against which taxes may be levied)
* Vehicle Maintenance: Direct maintenance expense (tires, repairs, etc.) of a privately-owned vehicle or any additional costs associated with a privately-owned vehicle, such as a lease, loan payments, insurance, license or registration fees
* Water Filtration: Installation of permanent systems of filtration of all water entering a private residence (Water filtration/ purification systems are permitted in communities where water purity issues identified)
* It is unallowable to divert program income (income generated from charges/ fees and copays from Medicare, Medicaid, other third-party payers collected to cover RW services provided) toward general agency costs or to use it for general purposes
* Pre-Exposure Prophylaxis (PrEP)
* Non-occupational Post-Exposure Prophylaxis (nPEP)
* Firearms

### Store cards for services and incentives must be allowable by the stated terms and conditions of the grant.

B. Dollar Limitations

1. Each individual gift card may not exceed a total of $XX.XX

2. The annual dollar limit of gift cards received by any one individual during the contract year (October-September) will not exceed $XXX.XX

**IV**. **Approvals**

B. The purchase of incentives must be explicitly identified in the budget narrative submitted for the annual contract and all amendments. The budget narrative will describe the purpose of the incentives, the individual value and cost, and a description of the type of incentive (e.g., gas card).

C. Store Cards may be purchased in one of the following ways, following approval of the purchase:

1.

2.

3.

# **Required Documentation**

## Individuals in receipt of a store card must sign a statement acknowledging and agreeing to the purposes of and restrictions (i.e, unallowable costs) of the incentive. The statement should also make the client aware of potential tax implications.

## Purchases must be approved, in writing by \_\_\_\_\_\_\_\_\_\_\_ prior to purchase. A store card approval form will accompany the original receipt for the purchase with the signature of the person approving the purchase.

## Copies of, or the original client acknowledgement form, will be placed with the original receipt for the purchase and the approval form for the purchase to make the process auditable.

## Clients must bring in itemized receipt with proof of purchasing allowable costs when Ryan White or 340B Rebate funds are used.

### If receipt is not returned within \_\_\_\_\_ days of distribution, the following procedures must be followed:

### Agency will attempt \_\_\_\_ times to contact the client to give the receipt and document and retain all attempts.

### if purchased unallowable cost, the client cannot receive unrestricted store card for a period of \_\_\_\_\_\_\_\_\_\_\_\_.

### If receipt is not returned the client will be ineligible to receive future store cards for a period of \_\_\_\_\_\_\_\_\_\_\_.

### Agency cannot bill state for any unallowable cost purchased with the store card. The agency recognizes the risk involved with providing clients unrestricted store cards and assumes responsibility for any costs deemed unallowable by the grant.

# **Internal Controls**

## Custody

### Custody of the cards will remain the responsibility of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_. This person is responsible to keep the cards in a secure (locked) area, except when taken to an event. Only the amount of store cards to be distributed that day should be signed out by the responsible person.

### Cards that are signed out by the responsible person to an employee now makes that employee responsible for the custody of the store cards.

#### Employees who have signed out store cards should have the ability to keep them locked up until they are distributed to a participant and are responsible for any lost, misplaced, or stolen cards.

#### The person initially responsible for keeping custody of the cards is responsible to collect a signed client acknowledgement form from the employee for each card signed out, no later than 15 days of the employee signing out the cards. If the employee cannot produce the cards or the signed acknowledgement forms for those cards, they will be responsible to pay the agency back.

#### Lost, misplaced, or stolen store cards are an unallowable cost on the grant. All store cards purchased using Ryan White funds need to have the items in the Required Documentation portion of this policy.

## Physical Access

### The following individuals will be allowed physical access to the store cards (one primary, one backup)

## Tracking

### A list of each store card by number with the name of the participant who received the card with that number, the value of the card, and the date the card was provided to the participant, and the purpose for which the participant received the incentive will be kept.

### A copy of the participant’s signed acknowledgement/agreement will be kept.

### The number of incentives and cumulative total amount received by each participant during the contract year will be recorded.

## Inventory

### Inventory will be conducted every XX days to ensure that all store cards that have not been distributed are accounted for.

### Inventory will be conducted every XX days to ensure that all signed client acknowledgement forms are on file.

# **Tax Reporting**

## IRS Regulations require reporting for any individual who receives over $600 for incentives per year (gift cards are considered compensation).

### Form 1099-MISC will be issued when the $600 threshold is met.

### The responsible employee has a duty to make clients aware of tax implications.

# **Procedure for Lost Cards**

## Responsibility for Lost or Misplaced Store Cards

### The responsible person, as indicated on the log sheet at the time of the loss, is responsible for reimbursing the agency for the cards.

### Employees who discover the shortage must immediately report it to \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

## Investigation of the Loss and Consequences

### An investigation will be conducted to determine if the loss is due to intentional misappropriation and to determine if adequate internal controls were used.

### Dependent upon the circumstances, consequences may include, but are not limited to:

#### Re-payment of unaccounted store cards by the responsible employee to the agency

#### Employee restrictions on handling of store cards

#### Termination of employment

#### Criminal charges

# **Cost Basis**

## Incentives must be offered to all eligible participants equally.

## Incentives should only be offered to clients that are participating in activities related to HIV & STD programs.

## Incentive amounts should be reasonable and should in no way coerce an individual into participating in, or remaining in, a specified activity hosted by the agency. Participation should always remain voluntary.

## Reasonable Compensation Guidelines

### HIV Testing: $XX.XX

### Educational Session: $XX.XX