

Michigan Department of Health and Human Services
Division of HIV/STI Programs

MDHHS Ryan White Guidance #20-03

PURPOSE

This guidance sets forth requirements related to accounting for store cards & vouchers given to clients for client participation or for services.

BACKGROUND

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

- Store cards may not be redeemed for cash; VISA and MasterCard pre-paid cards are not allowed.
- The agency recognizes the risk involved with providing clients unrestricted store cards and assumes responsibility for any costs deemed unallowable by the grant.
- Store cards may not be used for unallowable items, including but not limited to the list of unallowable costs below. For further explanation see HRSA Ryan White Policy Notice #16-02.

HRSA Unallowable Costs:
<ul style="list-style-type: none">• Off-premise 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, whether homosexual or heterosexual
- 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 (If water filtration/ purification systems are provided, the community has water purity issues)
- 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) HIV/AIDS BUREAU POLICY 16-02
- Non-occupational Post-Exposure Prophylaxis (nPEP)

General-use prepaid cards are considered “cash equivalent” and are therefore unallowable. Such cards generally bear the logo of a payment network, such as Visa, MasterCard, or American Express, and are accepted by any merchant that accepts those credit or debit cards as payment. Gift cards that are cobranded with the logo of a payment network and the logo of a merchant or affiliated group of merchants are general-use prepaid cards, not store gift cards, and therefore are unallowable.

HRSA RWHAP recipients are advised to administer voucher and store gift card programs in a manner which assures that vouchers and store gift cards **cannot** be exchanged for cash or used for anything other than the allowable goods or services, and that systems are in place to account for disbursed vouchers and store gift cards.

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 participation.
 - Annual dollar limit to any one individual

2. *Sub-recipients must have written procedures for implementing policy on store cards or vouchers to project participants. At a minimum, the procedures must address:*
 - Provision that individual recipients of store card or vouchers must sign a statement acknowledging and agreeing to the purpose of and restrictions (i.e., unallowable costs) of the incentive.
 - Process to vigorously pursue collecting and maintaining the client receipt of store card or voucher purchases.

3. *Sub-recipient must maintain appropriate documentation for each participant store card or voucher for future audit, site visit, and/or desk review. At a minimum this includes:*
 - List of each store card by number with name of participant who received the card with that number, the value of card, the date the card was provided to the participant, and the purpose for which the participant received the incentive.
 - Receipt for the purchase of the gift cards
 - Receipt for the items purchased with the gift card or documentation to show collection of a receipt was vigorously pursued in accordance with agency policy.
 - Store Card Approval Form, which authorizes the purchase of the store card or vouchers in accordance with agency policy.
 - Copy of the participants signed acknowledgment/agreement
 - Record of the number of incentives and cumulative total amount received by each participant during each contract year.

4. *The purchase of store card or vouchers 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.