

Bureau of HIV & STI Program's Incentives Toolkit

DEVELOPED BY MDHHS BUREAU OF HIV & STI PROGRAMS
OPERATIONS SECTION



General Information & Guidance About Incentives

Guidance on Vouchers & Store Cards

- Agency must have vouchers & store cards in MDHHS contract and budget in order to distribute to clients or written approval from MDHHS
- Any type of voucher must be tracked by client and include the purpose
 - For example, uber rides, bus tokens, etc.
- Store Cards May Not Be Redeemed For Cash.
- Store Cards May Not Be Used for Unallowable Items
- Refer to Store Card Directory for additional guidance on allowable purchases.

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SECTION

General Use Pre-Paid Cards are Unallowable!

- General-use pre-paid 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.

Purchasing Store Cards

- It is okay to buy store cards in “bulk” but be aware that store cards purchased during a fiscal year must be distributed within 60 days after the close of that same fiscal year.
- If you have store cards that will not be distributed by 11/30 following the close of the fiscal year, you must remove the expense.
- Leftover store cards can be expensed to the next fiscal year’s contract, if the budget allows.

Incentive Policy Requirements:

- At a minimum Sub-Recipients must have a written policy for providing incentive to project participants.
- MDHHS has developed a sample policy with components that agencies can use to formulate an internal policy for incentive purchasing, tracking, and distribution.

Incentive Toolkit Components:

- Guidance
- MDHHS Ryan White Guidance #20-03
- HRSA Ryan White PCN #16-02
- Policy Template
- Client Acknowledgment
- Inventory Tracking Form
- Directory of Allowable Store Cards
- Food Guidance Document

Preparing for Audit

Preparing for Audit or Desk Reviews:

Original Receipts
for Purchases

Signed
Authorization to
Purchase

Signed Client
Acknowledgement
Form

Inventory Tracking
Form

Client Receipts for
Store Cards (HIV
Care Only)

Policy &
Adherence

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Effective Policy Components:

Structuring The Policy:

1) Definitions

2) Allowable Uses and Limitations on Use

3) Approval Process

4) Required Documentation

5) Internal Controls

6) Tax Reporting

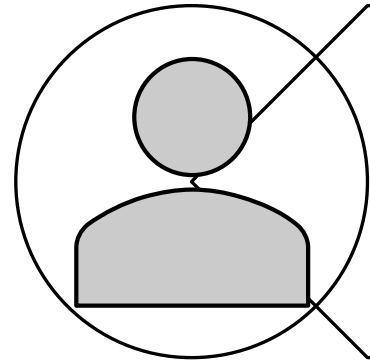
7) Lost Cards

8) Grant-Funded Disbursements

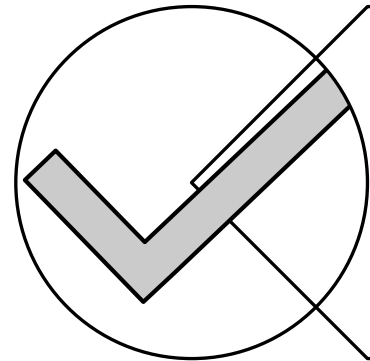
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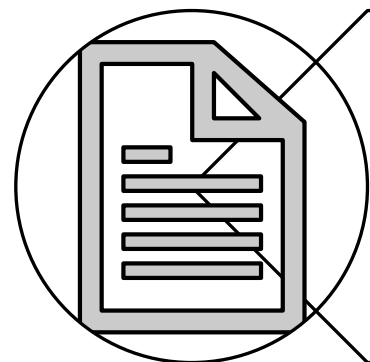
Effective Policy Components: Approval Process



Who approves the purchase?



Approved purchase methods



Store card approval form

- Includes authorization for the purchase

Required Documentation:

The Store Card Approval Form (authorizes the purchase)

Store Card Log (tracks the distribution)

Original Receipt (confirms the purchase)

Store Card Acknowledgement Form (confirms disbursement)

Effective Policy Components: Internal Controls

Safekeeping

Physical
Access

Tracking and
Inventory

Training for
Staff on Policy

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Effective Policy Components: Lost Cards

Responsibility for lost or misplaced store cards

Reporting the shortage

Investigation of the loss and consequences

- Intentional misappropriation
- Determining if adequate internal controls were used.

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Effective Policy Components: Tax Reporting:

- IRS regulation require reporting for any Individual who receives over \$600 worth of incentives per year.
- Issuance of Form 1099-Misc when \$600 threshold is met
- It is the employee's duty to make client aware of the tax implication.

Effective Policy Components: Grant-Funded Disbursements

- Incentives must be allowable by the stated terms and conditions of the specific grant
- Store Cards may only be purchased for client services or incentives
- Cost for incentives must be included in the grant budget
- Store Card inventory log must be maintained for tax reporting purposes

Store Card Inventory Tracking Form

Inventory Tracking Form

| STORE CARD INVENTORY | | | | | | | | | | | \$ 55 | \$ - |
|---------------------------------|--|----------------|------------------|------------------------------|-----------------------|------------------------------|--|-----------------|--|--|---------------|-----------------|
| CARD TYPE (EXAMPLE SPEEDWAY) | CARD NUMBER (EXAMPLE 6101 9061 0586 0004) | DATE PURCHASED | DATE DISTRIBUTED | GRANT (EXAMPLE RW-PART B) | Incentive or Service? | Service Category | PURPOSE (EXAMPLE WOMEN'S SUPPORT GROUP SESSION) | Receipt on File | Date of Receipt Collection Attempts | CLIENT IDENTIFIER or ID NUMBER ASSOCIATED TO A CLIENT (USED TO TRACK ANNUAL CAP ON TAX TAB) | INITIAL VALUE | REMAINING VALUE |
| WALGREENS | 34457543 | 10/7/2020 | 10/23/2020 | CC | Incentive | Psychosocial Support Service | Women's Support Group | Y | 10/25/2020 | 3333 | \$ 5.00 | \$ - |
| SPEEDWAY | 56843452 | 10/8/2020 | 10/24/2020 | CC | Service | Medical Transportation | Lab Appointment | No | 10/30/2020, 11/23/2020, 12/15/2020 | 4698 | \$ 50.00 | \$ - |
| | | | | | | | | | | | \$ - | \$ - |
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| | | | | | | | | | | | \$ - | \$ - |



Inventory Tracking Form: Before Distribution

Card Type: The place or type of card purchased

Card Number: Number on the Store Card

Date Purchased: Date on the Receipt for the Store Cards

Project: Project Cards are Purchased For

Initial Value: Amount on the Store Card

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Inventory Tracking Form: After Distribution

Date Distributed: The Date given to Client

Purpose: Reason Client earned incentive

- i.e., medication adherence, doctor appointment, support groups, etc..

Client Identifier: Enter client ID number associated with client's file.

Identifying Card Type: Incentive or Service?

- HIV Care only

Inventory Tracking Form: Monitoring The Annual Cap

- Inventory Tracking Form tracks store cards by recipient store card client tax summary tab
- Allows tracking by client and the amount of store cards the client received.
- The form ensures adherences to annual cap set by the agency in the policy year.

Inventory Tracking Form: Tracking By Client and Project

2 Enter Tax Year Here: 2021

3

| 4 Client ID | Total Amount Issued |
|-------------|---------------------|
| 5 922928 | \$34.00 |
| 6 9229928 | \$9.00 |
| 7 1111 | \$602.00 |
| 8 3333 | \$23.00 |
| 9 5555 | \$200.00 |
| 10 7777 | |
| 11 | |
| 12 | |
| 13 | |
| 14 | |

15

Instructions | Gift Card Inventory | **Tax Summary**

- Click on "Tax Summary" Worksheet tab and enter the tax year you want to assess client distributions on.

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Inventory Tracking Form: Importance of Use

Comply with IRS
Regulations

Comply with standards
for the use of store
cards as incentives

Ensure agency
compliance with store
card policy

An effective tool to
maintain internal
controls for store card
purchases,
distribution, & tracking

Track Store Card
Distributions by Client
and or Project

Maintain An Auditable
System

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Specific to HIV Care Agencies

Specific to HIV Care Agencies

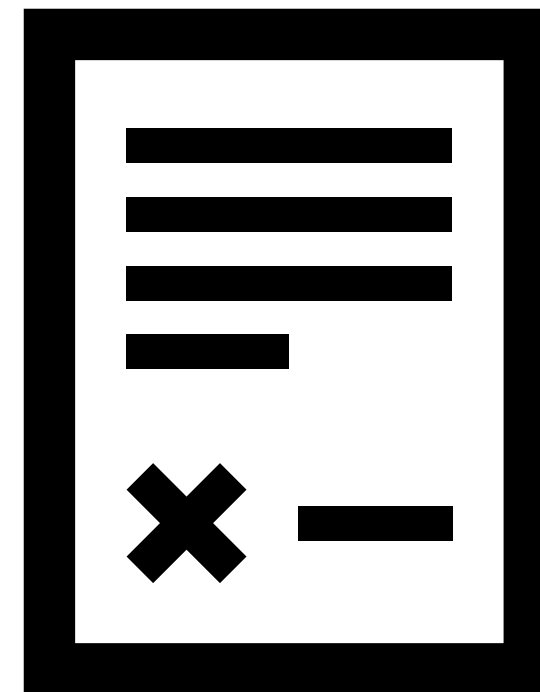
- Agency must vigorously pursue collecting receipt from client.
 - Create a process if receipt is not collected.
 - Track attempts to gather receipt.
 - Process must be included in your policy.
- A service is not counted in the \$600 tax threshold.
- Agency must not purchase any store cards from restaurants/fast food chains if it is a service.
 - Allowable only as an incentive

HIV Care Directory of Store Cards

- This is not an exhaustive list.
- We encourage agencies to use restricted store cards whenever feasible.
- We understand the limitations of many stores being able to restrict their store cards to certain purchases, it is allowable to use unrestricted store cards if necessary.
- **Itemized receipt must be vigorously pursued from the client according to policy, and attempts documented to collect the receipt for HIV Care programs only.**
- Used to prove store cards are not used on unallowable costs.
 - For example: Wal-Mart, Amazon, Gas Stations, Family Dollar, etc.

What It Means to Vigorously Pursue:

- Establish Written Policies
- Document that you have carried out or attempted to carry out the written policies.
- Implications are established for clients receiving future store cards if receipt is not returned.



Examples of Allowable Store Cards: Refer to the Store Card Directory for More Options

Grocery Stores

- Meijer
- Aldi

Gas Stations

- Speedway

Pharmacy

- CVS
- Walgreens

Food Stores (Incentives only for HIV Care)

- Fast Food Chains
- Healthy Restaurants

Examples of When to Classify Gift Cards as a Service:

- Client requests assistance with food. A grocery store voucher card is given to the client.
 - Classify as food bank, if agency has food bank as a service category
 - Classify as Emergency Financial Assistance, if agency does NOT have food bank as service category
- Client requests assistance with transportation to attend an ID medical appointment. A fuel voucher card is given to the client.
 - Classify as medical transportation
- Client with no vehicle requests assistance with transportation to attend a non-medical case management appointment. A bus token/voucher is given to the client.
 - Classify as medical transportation, if agency has medical transportation as a service category
 - Classify as Emergency Financial Assistance, if agency does not have medical transportation as a service category

Examples of When to Classify Gift Cards as a Service Continued:

- Client requests assistance with transportation to a support group. A fuel gift card is given to the client.
 - Classify as medical transportation
- Client requests assistance with personal hygiene items, like toothpaste, shampoo, and hand soap. A pharmacy gift card is given to the client.
 - Classify as food bank
- Client requests assistance with household cleaning supplies. A Wal-Mart gift card is given to the client to purchase these items.
 - Classify as food bank

When to Classify Gift Cards as an Incentive:

- Client attends a focus group related to improving services at your organization for HIV+ clients. They are given a gift card to Amazon for their participation.
 - Classify as a Direct Service cost, if you can directly attribute the focus group to a specific service.
 - If you can't then it would be an administrative cost.
- Client participates on a Quality Management committee at the organization. They are given a gift card to a restaurant for their participation.
 - Classify as a Quality Management cost
- Client just tested HIV+ and you have linked them to care. The client is given a gift card to a pharmacy after attending their first medical appointment and picking up their medications.
 - Classify as Direct Services under the Early Intervention Services (EIS) category

When to Classify Gift Cards as an Incentive Continued:

- Client has met their first Medical Case Management milestone. A gift card for fuel has been given to the client.
 - Classify as Direct Service under medical case management
- Client has been out of care for 2 years. The client completes lab work to enter back into care. A gift card to a grocery store is given to the client.
 - Classify as Direct Service under Early Intervention Services (EIS)
- Client participates in a Community Advisory Board meeting. A gift card for fuel is provided.
 - Classify as an Administrative cost

Food Guidance:



SECTION

When Can Food Be Allowed For Clients:

Support Groups

- These costs are allocable to Food Bank/ Home Delivered Meals service category

Focus Groups

- These nutritious meals and snacks must be billed as an administrative/incentive for clients, and not as a service delivery line item.

When Can Food Be Allowed For Staff:

Conference Events

- Cost of Meals must be built into total conference fee
- Cost of meals cannot be split out and/or separately billed

Meetings & Trainings

- Can be provided in limited circumstances
- If several staff are required to travel to attend meeting/training that would otherwise be eligible for meal reimbursement due to distance traveled and length of meeting, then the cost of providing meals for all staff in attendance shall be deemed allowable, and must be allocated as an administrative cost
- Per HHS Grants Policy
 - “generally unallowable except for the following....as part of a per diem or subsistence allowance provided in conjunction with allowable travel.
- Meals should not exceed the state per diem allowance
- Meals cannot be purchased for general staff meetings that are short in duration and held on a frequent basis.

Links to Resources

- Federal Resources

- [Ryan White PCN #16-02](#)
- [HRSA/HAB National Monitoring Standard-Universal](#)

- State of Michigan Resources

- [MDHHS Ryan White Guidance #20-03](#)

Questions:

- HIV Care Programmatic Questions: FlackY@michigan.gov
- HIV Prevention Programmatic Questions: RoachM@michigan.gov
- STI Programmatic Questions: TuinierK@michigan.gov
- Fiscal Questions: BrownS74@michigan.gov
- General Questions & Resources: MDHHS-HIVSTIoperations@Michigan.gov

