

Title: Gift Card Purchase, Use and Distribution	Policy Number: POL 130.005
Reference(s): None	Effective Date: 10/13/2020 Supersedes: NA
Approved By:  _____ Stephanie Wright, Board of Health Chair	Revised Date:

**PURPOSE:**

Establishment of parameters for gift card purchase and use.

**PHILOSOPHY:**

Gift cards, regardless of the value, are considered cash equivalents by the Internal Revenue Service (IRS) and are subject to tax reporting. As gift cards are a high business audit risk, the District seeks to minimize the purchase and distribution of gift cards and associated risks. Programs distributing gift cards are responsible for compliance with IRS regulations, this policy and other District policies.

**DEFINITIONS:**

**Gift Card:** Pre-loaded debit card entitling the holder to use all or a portion of the card to pay for goods or services.

**POLICY:**

Individual gift card value cannot exceed ten dollars.

When can a gift card be purchased:

- Emergency purchases necessary to support client needs during treatment of a communicable disease. Examples include emergency food supplies while in isolation or vehicle fuel so client can drive to medical appointments.
- Gift cards will not be purchased and used for general program purposes. Examples include, incentives for participation, as an alternative for payment, or as a thank you gift.
- Requests for exceptions must have Administrative Officer approval. Exceptions shall not be approved unless the Administrative Officer finds that the purpose for which the exception is requested is consistent with and in furtherance of the mission of the Health Department.
- Gift cards will be provided only to District clients. Family members of the client or volunteers will not be eligible to receive a gift card. When medically necessary, the Division Director can authorize family member pick-up of client gift card.

Who can purchase a gift card?

- The Purchasing Agent in Finance places the order for gift cards.
- Under no circumstances are staff authorized to use their purchasing or travel cards for gift cards.

Records Management:

- Purchased gift cards will be received and logged by Finance staff, using the numerical identifier on the card, and transferred to appropriate program staff.

- Program staff are responsible for safely maintaining gift cards prior to distribution and documenting distribution to clients.
- Gift cards are held in a secure area with a locking drawer or file.
- Each card number will be accounted for and documented on a monthly basis.
- Any discrepancies in gift card inventory will be reported immediately to the appropriate Division Director and Finance Manager.
- More than one discrepancy with gift card inventories will result in disciplinary action for the responsible staff and/or program in alignment with applicable Human Resources policies.
- All records will be maintained for audit purposes in alignment with applicable federal, state and local retention laws.