

Administrative Policy No.: 19.40.30

Subject: Gift Cards

Contact: Office of Accounting Services
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Authorizing Source: OFM, State Administration & Accounting Manual (SAAM) Section [40.30](#) Disbursement of Electronic Funds/Benefits by State Agencies

Effective Date: August 15, 2017

Revised: June 30, 2021

Approved By: Original signed by Judy Fitzgerald
Assistant Secretary / Chief Financial Officer

Purpose

The purpose of this policy is to establish guidelines regarding the procurement, storage, and disbursement of gift cards.

Scope

This policy applies to all Department of Social and Health Services (DSHS) programs that use gift cards as part of their program. This policy does not apply to gift cards for employee recognition awards or stored value cards.

Additional Guidance

DSHS Administrative Policies

[13.08](#) Operational (Purchased) Goods and Services

[19.70.13](#) Employee Recognition Awards

[19.05.01](#) Protected Health Information & HIPAA Compliance in Financial Documents

Definitions

DSHS means the Department of Social and Health Services.

Gift card is a prepaid stored-value money card usually issued by a retailer to be used as an alternative to cash for purchases within a particular store or retail business. A gift card is not associated with a bank account.

Program means the affected DSHS programs, including the division, office, or staff designated by the assistant secretary or division director as being responsible for compliance with this policy.

Provider is any person, business, non-profit, or government entity who provides goods/services to DSHS or its clients.

Stored value (SV) card is a card for which the prefunded value is associated with a bank account, which must be accessed for payment authorization. These cards can be reloadable or disposable, and include cards such as prepaid cards, payroll cards, flexible spending account cards, government benefit cards, etc.

Policy

A. Gift cards can only be used to provide the following:

1. Incentives for volunteers, board members, providers, or clients for participating in focus groups, surveys, committees, etc.
2. Incidental costs for clients. Example: Purchasing gasoline for clients to travel to training.

B. Prior to implementation, programs using gift cards must:

1. Obtain written approval from their DSHS assistant secretary or designee to implement a gift card program.
2. Ensure procedures are established to address procurement, safeguarding and storage, issuing, and voiding missing gift cards.

C. The program will develop and implement written procedures for the administration and safekeeping of these cards prior to obtaining approval.

1. Program must have written procedures that provide direction to staff on how the gift cards are managed. Areas addressed in procedures must include:
 - a. Separation of duties.
 - b. Purchasing responsibilities to include dollar limits on the cards, maximum number of cards allowed on-hand at program and office locations, and who will purchase the cards.

- c. Establish a log for the purchase and issuance of gift cards.
 - d. Establish procedures for the safeguarding and storage of gift cards.
 - e. Inventory management to include monthly physical counts.
2. Program must designate a gift card manager who must:
 - a. Provide training on the management of the gift cards.
 - b. Enforce program procedures and oversee monthly inventory of the gift cards.
 - c. Report any lost or stolen gift cards immediately to internal audit and consultation.
3. Program must designate gift card custodians who must:
 - a. Maintain custody of the gift cards at assigned locations and keep the cards in a secure and locked location with limited access.
 - b. Maintain a tracking log, that at a minimum:
 - i. Details items to include date of purchase, card number, card value, and the type of card (e.g. Fred Meyer, McDonald's).
 - ii. Details the date the card was issued and to whom it was issued.
 - A In the event the gift cards are being used for health surveys the name and signature of the supervisor should replace any patient name see [AP 19.05.01](#) Protected Health Information & HIPAA Compliance in Financial Documents.
 - c. For cards issued to DSHS staff for use on behalf of clients:
 - i. Must ensure receipts are received.
 - ii. Must ensure cards with unused balances are returned.
 - iii. Must record the date the card was returned, the unused amount, and that a receipt was received for any amounts spent.
 - d. For cards issued to DSHS staff for third party distribution (for example, focus group members, survey participants) documentation must be provided that identifies actual recipients and the return of any non-distributed cards.
 - i In the event the gift cards are being used for health surveys the name and signature of the supervisor should replace any patient name see [AP 19.05.01](#) Protected Health Information & HIPAA Compliance in Financial Documents
 - e. Report any inventory discrepancies immediately to the gift card manager.

Procedure

For audit purposes during card counting, whenever possible, two people will conduct the counts.