



POLICY AND PROCEDURE NOTICE: FPPN-014 PROHIBITION AGAINST DIRECT PAYMENTS TO CLIENTS: STORE VOUCHERS OR GIFT CARDS

Summary and Purpose of PPN: To guide the administration of the Ryan White Part A Program in prohibiting direct payments to clients.

Authority:

- HRSA Policy Clarification Notice #16-02

Policy and Procedure:

1. RWHAP funds may not be used to make cash payments to intended clients of core medical or support services. This prohibition includes cash incentives and cash intended as payment for RWHAP services.
2. Where direct provision of the service is not possible or effective, store gift cards, vouchers, coupons, or tickets that can be exchanged for a specific service or commodity (e.g., food or transportation) must be used.
3. Store gift cards that can be redeemed at one merchant or an affiliated group of merchants for specific goods or services that further the goals and objectives of the RWHAP are also allowable as incentives for eligible program participants.
4. Subrecipients are advised to administer voucher and store gift card programs in a manner which assures that vouchers or gift cards cannot be exchanged for cash or used for anything other than allowable goods or services, and that systems are in place to account for disbursed vouchers and store gift cards. Note: 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 also unallowable.



5. Gift cards/vouchers may not be used for the purchase of alcohol, tobacco, or firearms.
6. Subrecipients must maintain a register which reflect the name of the client receiving the gift card or voucher, purpose, date, and amount.
7. Subrecipient must maintain records that procurement staff are aware of this policy.

Verification:

- Review of gift cards/vouchers.
- Review of register.

Approved: May 2016

Last Reviewed: January 2021