

CF OPERATING PROCEDURE
NO. 75-5

STATE OF FLORIDA
DEPARTMENT OF
CHILDREN AND FAMILIES
TALLAHASSEE, March 29, 2007

Procurement and Contract Management

USE OF MERCHANT GIFT CARDS

1. Purpose. This operating procedure describes the procedures for purchasing and using merchant gift cards by employees, providers, and clients of the Department. The use of state, federal and client funds provided through the Department to purchase gift cards to be redeemed for a public purpose is allowable as long as the control procedures required by this operating procedure are followed. This operating procedure does not relate to merchant gift cards that are purchased as part of an employee recognition or compensation plan.
2. Overview. Situations regularly arise where the Department or one of its providers needs to purchase items on behalf of clients. These purchases have traditionally been made through the use of purchase orders or Departmental reimbursements of personal purchases by employees. This process is substantially simplified through the use of prepaid merchant gift cards assigned to the client, foster parent or employee (this could be a CBC provider or a PI employee) responsible for making the purchases. Examples of these types of purchases are initial emergency clothing, infant formula, school needs for a child coming into care, and exceptional needs based on a particular circumstance or child.
3. Written Control Procedures.
 - a. Districts/regions or providers must have written procedures in place, which have addressed the following areas: inventory control of the cards themselves, accountability and tracking of the cards being disbursed, and identification of the intended user and purpose. If any unit within Central Office needs to purchase gift cards, that unit must seek approval for this practice from the Assistant Secretary for Administration.
 - b. Such written procedures must address the following internal control procedures at a minimum. More stringent procedures are both allowed and encouraged:
 - (1) All cards purchased must be controlled and accounted for from the time of their purchase until the cards are distributed to the end user. This must include, at a minimum, a log of all purchased cards showing each card's serial number, dollar amounts and the person to whom each card is assigned and the intended end user. Receipts must be obtained to document the original purchases of the cards if the cards are distributed to a case manager for a child with client trust funds.
 - (2) A maximum amount for individual gift card purchases must be established.
 - (3) Original merchant receipts must be retained to support all purchases made with a gift card by a case manager who is acting on the behalf of a child with a client trust fund.
 - (4) A receipt for the purchase of the gift cards and an accounting for issued cards must be kept. Used cards need not be returned as long as documentation to account for the full amount of the card is presented for review. An individual may not have more than two merchant gift cards assigned to them for any single client at any one time. Individuals who fail to provide the required

This operating procedure supersedes CFOP 75-5 dated March 5, 2007.

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accountability for used merchant gift cards will not be issued another one, and will have to revert to pre-gift card procedures to obtain reimbursements for client items purchased.

4. Client Trust Funds. Merchant gift cards may be used for the acquisition of goods or services on behalf of a client using Client Trust Fund monies. The gift cards must be assigned to either the Department/provider employee or the client who is of sufficient age and maturity to manage his/her own funds. The following additional requirements relate to the use of merchant gift cards for Client Trust Fund monies:

a. Merchant gift cards may be purchased using excess Client Trust Fund money, and held as assets of the Client Trust Fund until their issuance. Unexpended gift cards given to clients constitute assets of the client and should be considered when determining total client assets under Social Security regulations.

b. All cards purchased must be accounted for from the time of their purchase until the cards are fully redeemed. This should include, at a minimum, a log of all purchased cards and the current location or employee to whom the cards are assigned.

c. Receipts must be retained and an accounting completed for all items charged against the issued gift cards. Documentation of the transactions must comply with the requirements of Chapters 7APM3 and 7APM6 of the Department's Accounting Procedures manual relating to Client Trust Funds.

d. Gift cards given directly to a client who is competent to manage his/her own money may be documented solely by the client's and employee's signatures attesting to the transmittal of the card, and need not be supported by subsequent receipts.

BY DIRECTION OF THE SECRETARY:

(Signed original copy on file)

MELISSA P. JAACKS, CPA
Assistant Secretary for
Administration

SUMMARY OR REVISED, ADDED, OR DELETED MATERIAL

The phrase "employee recognition", which was inadvertently included in the last sentence of paragraph 2, has been deleted. Gift cards purchased for employee recognition purposes fall under the requirements of section 110.1245, F. S. and are not governed by this operating procedure.