



## Gift Card Policy for Providers - Frequently Asked Questions (FAQ)

### ***Which programs will need to create a gift card policy?***

Providers with a program that issues gift cards to participants purchased with City funds are required to have a written gift card policy. This policy can be an agency-wide policy that includes specific internal controls for each program (where applicable), or an individual policy for each program. Programs approved to purchase gift cards with City funds will be indicated in the eligible budget line item in the budget narrative of the Appendix B, Budget.

### ***Is this policy intended only for gift cards purchased with HSH funds?***

Yes, this policy only applies to gift cards purchased with HSH funds.

### ***How are the limits determined for gift cards?***

Each program's annual budget or budget line item will determine the amount of funding available. HSH guidance on the allowable maximum amount for programs is listed below.

Program	Type of Assistance/ Budget Category ( <i>specific line item may be different in Appendix B</i> )	Gift Card Maximum Amount
Access Points	Financial Assistance	Access Points are not providing gift cards directly to participants except for problem solving financial assistance which is detailed below.
Problem Solving	Financial Assistance	<ul style="list-style-type: none"><li>*Food expenses during relocation (recommended \$40/per person per day; not to exceed \$160 per person per relocation)</li><li>*Gas cards if necessary to travel (gas cost estimate <a href="#">link</a>)</li><li>*Grocery cards for move-in assistance. (<i>This amount is included in maximum allowable assistance per fiscal year.</i>) Financial assistance should not exceed the threshold for the participant's housing resolution category (lease or no-lease).</li></ul>
Housing Programs (Permanent Supportive Housing (PSH) Rapid Rehousing, Shallow Subsidy, Housing Ladder, Voucher Programs)	Client Support (emergency needs – e.g., grocery or household supplies) or Incentives	<ul style="list-style-type: none"><li>*\$300 per unique client in a fiscal year</li><li>*For expenses over the maximum amount, additional documentation and provider manager/supervisor approval are needed.</li></ul> Examples of incentives include: survey participation, volunteering for group/holiday/program activities, achieving a goal related to housing stability, etc.



Program	Type of Assistance/ Budget Category ( <i>specific line item may be different in Appendix B</i> )	Gift Card Maximum Amount
Shelter (Hotels and Hotel Voucher Program)	Financial Assistance	*Grocery cards *\$300 per card, with no more than \$600 per household in a fiscal year

*\*For Continuum of Care (CoC) and Emergency Solutions Grant (ESG) funded programs refer to the [City and County San Francisco CoC and ESG Desk Guide](#).*

***Are programs allowed to start distributing gift cards if they do not do so already?***

HSH funded providers should administer supplies and services (e.g., food, clothing, discounted or free bus tokens) instead of gift cards whenever possible. The use of gift cards for eligible expenses should only occur when reasonably necessary or for emergency or barrier removal purposes and should not be used as a method for ongoing payments or regular assistance.

Programs should reach out to the HSH Program Manager to review current budget and funding availability and discuss how distribution of gift cards may fit into the program design. A budget revision may be needed before gift cards can be considered an eligible and allowable expense for HSH reimbursement.

***Can gift cards for incentives be used as raffle prizes?***

Yes, providers may distribute incentives as a method to engage with participants in the program. For example, everyone who completes a survey is entered in the raffle, or everyone who participates in a community event is entered into a raffle, and the gift cards are distributed that way.

***Can gift cards be used for staff incentives/appreciation?***

No. Please see Section A.6, “employees or program administrators (including provider staff or management) must not be recipients of gift cards purchased with City funds.”

***Does there need to be a separation of duties if the program is understaffed?***

Yes, there should always be a separation of duties so there is oversight at each stage in the handling or transfer of gift cards. Gift cards are considered equivalent to cash and there must be standardized procedures and internal controls in place to avoid the mishandling or misuse of gift cards.

***Does this policy apply if the program purchases gift cards through a Fiscal Agent?***

Some HSH providers may purchase gift cards through a Fiscal Agent (e.g., for Problem Solving resolutions). Providers that utilize the Fiscal Agent will still track all dispersed gift cards as specified in the Fiscal Agent Policy and/or Problem Solving Guide and should have standardized procedures to comply with this policy for gift cards issued with City funds. In this example, the provider will submit required documentation to the Fiscal Agent for allowances or reimbursement, and the Fiscal Agent will request reimbursement from HSH.



***Will the program be subject to an audit?***

All providers that handle gift cards purchased with City funding are also subject to an external audit. If an external audit is not feasible, the audit will be performed by the City Services Auditor Division of the Controller's Office.

***When will the gift card policy be monitored?***

Providers must establish or update internal protocols or policies where applicable by January 1, 2025. HSH staff will review for compliance with this policy during Fiscal Year 2024-2025 annual monitoring to ensure providers have adequate standards in place. A finding will be issued if the provider is not in compliance with policy standards.

***If a subcontractor issues gift cards, will they be monitored separately?***

Providers serving as a prime Grantee (agreement in place with HSH) have an obligation to monitor the fiscal and programmatic performance of subcontractors and sponsored programs. This includes ensuring funds are spent on the intended purpose (e.g. validating receipts for invoices). This standard is outlined in the Citywide Nonprofit Contractor Fiscal and Compliance Monitoring.

