

# CONTRA COSTA COUNTY

## Office of the County Administrator

### ADMINISTRATIVE BULLETIN

**Number:** 615  
**Date:** December 10, 2009  
**Section:** Purchasing

**SUBJECT:** Incentives for County Programs and Services (such as gift cards and vouchers)

**I. APPLICABILITY.** This bulletin is applicable to all County departments and special districts, implementing incentive programs, such as gift cards and vouchers, to promote certain County program and services.

**II. AUTHORITY.** In accordance with the provisions of County Ordinance Code Section 24-4.008, the County Administrator has the authority and responsibility to establish and enforce purchasing policies in County departments and agencies, including the purchasing of incentives for certain County programs and services.

Article XVI, section 6 of the California Constitution prohibits the gift of public funds. However, if a gift card or voucher promotes a valid and substantial public purpose within the authorized mission of a public agency, the prohibition does not apply.

**III. PURPOSE.** The County Budget, as adopted by the Board of Supervisors, includes budgetary provision for specific programs and services administered by County Departments. County Departments may wish to promote certain County programs and services by providing incentives, such as gift cards or vouchers, which are related to the program or service. In some instances, outside funding is secured for the specific purpose of providing incentives. This bulletin sets forth County policy and procedures for the purchase and distribution of incentives, such as gift cards and vouchers.

**IV. POLICY.** The use of incentives, such as gift cards and vouchers, to promote certain County programs and services may be authorized consistent with this Administrative Bulletin.

**V. AUTHORIZATION FOR PURCHASING INCENTIVES.** The Board of Supervisors authorization must be obtained prior to the purchase of incentives for a certain County program or service. Board approval may be obtained when the

Board approves funding provided to the County by an outside entity, such as a grant, if the Board Order to accept the funds also includes approval for the purchase of incentives as set forth in 1-4 below. If the Board Order to accept funding does not also include authorization to purchase incentives, then the Department Head or designee must obtain separate Board approval to purchase incentives.

Department Heads may request approval by the County Administrator's office to seek the Board of Supervisor authorization to purchase incentives when funding is provided to the County by an outside entity, such as a grant, via an Agenda Item Request. The Request must:

1. Document how the proposed incentive program will effectively promote a certain County program or service.
2. Include the amount provided to the County for the purchase of incentives.
3. Identify the number, dollar amount, and type of incentives to be purchased by the County.
4. Specify whether or not a County match is required as part of the incentive program. If a County match is required, the Board Order must clearly state the total amount of County funds to be expended.

The County Administrator's Office will review the Agenda Item Request and, if appropriate, forward the item to the Board of Supervisors with a recommendation.

## **VI. PROCEDURES FOR PURCHASING, PAYING, AND DISTRIBUTING INCENTIVES.**

1. The Purchasing Agent may purchase, on behalf of a County Department, gift cards, vouchers, or other incentives only by order or resolution of the Board of Supervisors.
2. Reimbursement for gift cards or vouchers may not be made on an Employee Demand, Procurement Card, or from Petty Cash.
3. A certified board order or grant document that specifies the number, amount and type of incentive must be attached to the accounts payable voucher in order for the expenditure to be paid. No expenditure will be paid that exceeds the limit specified on the board order or grant document.
4. Gift cards shall not be distributed to County employees or members of County Advisory Boards or Commissions.
5. Only gift cards or vouchers for department stores and other retail cards (e.g., Starbucks, Jamba Juice, etc.) qualify as non-cash awards. Such gift certificates,

vouchers or cards must confer only the right to receive tangible personal property, not cash or the ability to reduce the balance due on the recipient's account with the merchant.

6. Visa, MasterCard, or American Express Gift Cards purchases are prohibited. Such gift cards closely resemble cash and could be "gifts of public funds."
7. The purchase of gift certificates for services is prohibited.
8. The value of the gift card, voucher, or incentive must be reasonable in relation to the actual or expected County benefit.
9. Departments must have procedures in place on the secure handling and distribution of gift cards, vouchers and other incentives. Procedures shall include, but not be limited to, the following:
  - a. Paying against a purchase order allows the Department to track the amount paid so as not to exceed the authorized limit. Should a department choose to make payment on warrant requests, then some other method of tracking would need to be developed, e.g., insert grant number or board resolution number into description field.
  - b. Gift cards, vouchers, and other incentives are a form of cash and should be treated as such. Departments that purchase gift cards, vouchers and other incentives, must have a written procedure on how to distribute, safeguard, and document their use that will provide sufficient oversight and security against any misuse or loss. The Department will appoint a custodian to oversee the safeguarding and tracking of these items. Gift cards, vouchers, and other incentives shall be kept in a locked and secure location with access limited to authorized personnel only. Gift Card Log (sample attached) shall be maintained documenting the following:
    - Date received into inventory
    - Serial number of each item
    - Date issued
    - Client name or identification number
    - Reason for issuance
    - Monetary value
    - Client initials upon receipt
    - Custodian initials verifying client receipt

Management should conduct periodic, unannounced audits of the log and gift cards, vouchers, and other incentives to ensure that the undistributed items listed on the log correspond to the inventory on hand. Shortages must be reported when discovered in accordance with the procedures in Administrative Bulletin 207. The Auditor will include a review of the

Department procedures and compliance with those procedures during its routine departmental audit.

A handwritten signature in black ink, appearing to read 'David Twa', is positioned above a horizontal line.

David Twa  
County Administrator

*Originating Department: County Administrator*

## INCENTIVE CARD LOG

Department: \_\_\_\_\_

Program Name: \_\_\_\_\_

Purchase Date	Type of Incentive (i.e. Target, etc)	Giftcard Number	Issue Date	Client Name/ID	Reason for Issuance	Amount	Client Initial	Staff Initial
6/1/2009		5001-0000-0000-0001	6/15/2009	***SAMPLE***	***SAMPLE***	10.00		
/ /			/ /					
/ /			/ /					
/ /			/ /					
/ /			/ /					
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Notes:								