



**DEPARTMENT OF MENTAL HEALTH  
POLICY/PROCEDURE**

SUBJECT <b>GIFT CARD REQUISITION, DISTRIBUTION AND SECURITY</b>	POLICY NO. <b>404.08</b>	EFFECTIVE DATE <b>02/03/2010</b>	PAGE <b>1 of 9</b>
APPROVED BY:  Director	SUPERSEDES <b>N/A</b>	ORIGINAL ISSUE DATE <b>02/03/2010</b>	DISTRIBUTION LEVEL(S) <b>1</b>

**PURPOSE**

- 1.1 To govern the requisition, distribution and security of Gift Cards when authorized as part of various Programs.

**DEFINITIONS**

- 2.1 **Primary Designated Custodian:** The designated facility/clinic staff person responsible for issuing gift cards to clients.
- 2.2 **Accounting Division Gift Card Custodian:** Accounting Division Gift Card custodian is responsible for verifying and matching Gift Card Request Forms (Attachment 1) with Gift Card Distribution Control Logs (Attachment 3).

**POLICY**

- 3.1 The Gift Card Program is intended to provide support services to participants involved in various programs.
- 3.2 It is the policy of the Los Angeles County Department of Mental Health (LACDMH) that all departmental staff with gift card responsibilities must ensure that internal control procedures are in place for the safekeeping of gift cards.
- 3.3 Gift Cards will be safeguarded at all times, i.e., the gift cards are to be in a locked safe, file cabinet with lock bar, or a locked desk.
- 3.4 Gift cards are only to be utilized in accordance with established criteria of each Program that authorizes the use thereof.



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## PROCEDURES

### 4.1 Requesting and Replenishing Gift Cards

- 4.1.1 The maximum dollar amount of gift cards on hand (per vendor) at the clinic should not exceed \$1,000 or a three month supply, whichever is less.
- 4.1.2 Gift cards should be secured in a safe or in a file cabinet with a locking bar. Access to the safe should be limited to the clinic's Primary Designated Custodian or alternate, and the Clinic Manager or designee. The same is true for the Accounting Division; Gift Cards should be secured in a safe or in a file cabinet with a locking bar. Access should be limited to the Gift Card Primary Custodian or alternate, and Accounting Division's Revenue Section Head or designee. Gift Cards should be retained in a locked box within the safe or file cabinet. The Gift Cards kept in the safe or locked box are referred to as safe inventory throughout the remainder of this document.
- 4.1.3 LACDMH clinics may requisition Gift Cards from the Accounting Division (See Section 4.5 for the instructions how to complete the Gift Card request form) by completing and submitting the following forms:
- 4.1.3.1 Gift Card Request Form (Attachment 1);
  - 4.1.3.2 Special Request Form (Attachment 2); and
  - 4.1.3.3 Gift Card Distribution Inventory Control Logs, if any, for previous orders with the same vendor (Attachment 3).
- 4.1.4 These forms must be submitted to:
- Los Angeles County Department of Mental Health  
Accounting Division  
550 S. Vermont Ave., 8th Floor  
Los Angeles, CA 90020



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4.1.5 The Clinic Manager or designee updates the Gift Card Safe Inventory Log (Attachment 5) when Gift Cards are replenished from the Accounting Division.

4.1.5.1 Record the date Gift Cards are received from the Accounting Division.

4.1.5.2 Record Gift Card information (identifier, i.e., unique serial number) in the Transferred/Replenished/Comments section.

4.1.5.3 Record the name of the Accounting Division's Gift Card clerk/custodian in Transferred/Replenished/Comments section. Record the name of the designated messenger picking up Gift Cards from the Accounting Division.

4.1.5.4 Record the total number of Gift Cards received in the **IN** column. Adjust the Gross Total.

4.1.5.5 Add the quantity of Gift Cards by monetary value issued by the Accounting Division to the preceding line to compute the current Safe Inventory Balance.

4.1.5.6 The total number of Gift Cards in the **IN** column and the Gross Total in the preceding line will give you a **new** gross total. (To verify the balance, add the current inventory balance by dollar value.)

4.1.5.7 The gift cards equaling the amount of the safe inventory balance are to be kept secure in a safe or file cabinet with a locking bar.

4.1.5.8 When replenishing the Primary Custodian's inventory, the Clinic Manager should note in the comments section the replenishment and enter the number of cards issued in the **OUT** column. Monetary balance and gross total should be re-computed.

4.1.6 The Clinic Manager or designee replenishes the Primary **Custodian's** inventory (Attachment 6) with Gift Cards from the Safe Inventory on a weekly basis (or as needed). Only one week's supply of Gift Cards should be maintained in the Primary custodian's inventory. The Primary



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Custodian should record transactions to the Distribution Inventory Log (Attachment 6).

- 4.1.6.1 Record the date of transfer.
- 4.1.6.2 Record the name of the Clinic Manager or designee transferring the Gift Cards in the **Issued By** column.
- 4.1.6.3 Record the name of the Primary Custodian receiving the Gift Cards in the **Issued To** column.
- 4.1.6.4 Record the amount of Gift Cards transferred from the safe inventory to the Primary Custodian's inventory in the **IN** column. Calculate the new balance of the primary custodian's inventory including gross total.
- 4.1.6.5 Indicate the Transferred/Replenished/Comments section of the Safe Inventory that this transaction is replenishing the Custodian's inventory.
- 4.1.6.6 If the Safe Inventory is low at the time the Custodian's inventory is replenished, the steps in 4.1.3 and 4.1.4 above are repeated.

#### 4.2 Issuance

- 4.2.1 The Gift Cards Inventory is kept in a locked drawer at the primary custodian's desk.
- 4.2.2 Gift Cards may be issued to a client at the request of the mental health professional and upon receipt of the Gift Cards Authorization form (Attachment 7). Verify the authorization form has been completed and authorized by the mental health professional.
- 4.2.3 Require the client to acknowledge receipt of the Gift Cards by signing and dating the Signature of Client line on the Gift Cards Authorization Form.
- 4.2.4 The Clinic Custodian or designee must sign the Gift Cards Authorization Form upon transfer of Gift Cards from the clinic to the client.



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- 4.2.5 Maintain and update Gift Cards Custodian's Distribution Inventory Log (Attachment 6).
- 4.2.5.1 Ensure the beginning balance is posted by monetary value in the inventory balance column.
  - 4.2.5.2 Record the date the Gift Cards are issued.
  - 4.2.5.3 Record the name of the Primary Custodian or designee issuing Gift Cards.
  - 4.2.5.4 Record the name of the client Gift Cards were issued to.
  - 4.2.5.5 Record the justification for the issuance, i.e., issued as authorized by [*insert name of mental health professional*].
  - 4.2.5.6 Record the number of Gift Cards issued in the OUT column. Calculate the remaining balance.
- 4.2.6 Record "transfer of responsibility" for Gift Cards each time the Primary Designated Custodian transfers responsibilities to a secondary custodian. A record of the transfer should be made and kept on file. Each time the secondary custodian transfers responsibilities back to the Primary Designated Custodian, a record of the transfer should be made. (Examples: breaks, lunches, days off, etc.) Each custodian will be held accountable for all Gift Card activities occurring at the time of his/her custodial responsibilities. (Attachment 8 is an example of a Gift Card Record of Transfer).
- 4.2.7 Custodians may perform a reconciliation/verification of Gift Cards anytime the "transfer of responsibility" occurs.
- 4.3 Verification and Reconciliation
- 4.3.1 On a monthly basis and upon receipt of Gift Cards from the Accounting Division, the Clinic Manager or designee must perform a verification of the quantity of the Gift Card inventory. A second employee independent of the Gift Card functions must be present when the verification is performed. The Gift Card Inventory Log must be initialed by the Clinic Manager or designee and second employee to indicate that this



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verification has been completed. This verification includes Gift Cards in the Safe Inventory and the Primary Custodian's Inventory.

- 4.3.2 The Gift Card Authorization and Gift Card forms should be reconciled to the Gross Total on a monthly basis to ensure the accuracy of the information reported by the Clinic Manager or designee to indicate that this verification has been made. This reconciliation should be performed by an employee independent of the Gift Card functions.
- 4.3.3 The Clinic Manager or designee and an employee independent of the Gift Card function should perform a reconciliation of Gift Cards transactions to the ending balance monthly, at the completion of each Gift Card log, or when Gift Cards must be replenished by the Accounting Division. The Clinic Manager or designee and the employee independent of the Gift Card function should initial logs when reconciliation is complete.
- 4.4 Other
- 4.4.1 Missing or reportedly stolen Gift Cards must be investigated. The Clinic Manager must submit a letter or explanation to the DMH Compliance Officer via e-mail. The e-mail address is "Compliance" or [Compliance@dmh.lacountv.ciov](mailto:Compliance@dmh.lacountv.ciov). Because this is criminal activity, Compliance will coordinate with the Auditor-Controller's Office of County Investigations. (See LACDMH Policy 106.13)
- 4.4.2 A copy of the letter of explanation should also be sent to the responsible Deputy Director and the DMH Accounting Division Chief.
- 4.4.3 Any operational questions should be directed to the Accounting Division. The Accounting Division reviews the requests for replenishment to ensure compliance with procedures. Clinics will be notified by the Accounting Division when an error is discovered and corrective action is required.



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4.4.4 The Fiscal Support and Settlement Division review the clinic's compliance with distribution procedures during the on-site Internal Control Certification Program Review. Any deficiencies are reported to the Clinic Manager as well as the Deputy Director for corrective action.

4.5 Gift Card Request

4.5.1 Completing the Gift Card Request (in duplicate):

- 4.5.1.1 Record the date of request.
- 4.5.1.2 Record the name of the facility making the request.
- 4.5.1.3 Record the cost center code.
- 4.5.1.4 Enter the number, denomination amount, and vendor of gift cards requested.
- 4.5.1.5 Calculate the dollar value of the request (total number of Gift Cards multiplied by the denomination).
- 4.5.1.6 Provide a justification for the request.
- 4.5.1.7 The primary custodian signs the request.
- 4.5.1.8 Provide a phone number where the primary custodian can be reached.
- 4.5.1.9 Obtain approval of the requested from the Clinic Manager or Deputy Director.
- 4.5.1.10 Indicate the date on which the request was approved by the Clinic Manager or Deputy Director.
- 4.5.1.11 Record the name of the oversight unit. The Accounting Division will complete the remainder of the Gift Card Request Form.
- 4.5.1.12 **NOTE:** The Accounting Division will return any incomplete or improperly completed Gift Card requests to the facility to be corrected and resubmitted.
- 4.5.1.13 **NOTE:** Programs will not be issued new cards if they do not submit any outstanding same vendor Gift Card Logs from the previous order. The Gift Card Request may be submitted, but cards will not be issued until the logs have been turned in for verification and reconciliation.



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- 4.5.2 Only \$1,000 in Gift Cards or a three-month supply (whichever is less) may be requested at one time.
- 4.5.3 Submit the Gift Card Request form (in duplicate) and the original Gift Card Logs to:  
Los Angeles County Department of Mental Health  
Accounting Division  
550 S. Vermont Avenue, 8th floor  
Los Angeles, CA 90020
- 4.5.4 Copies of the Gift Card Request, completed log, and Gift Card Authorization forms should be filed in a secure location.
- 4.5.5 Only a messenger **with written authorization, duly approved by the Clinic Manager**, may pick up the requested Gift Cards.
- 4.5.6 Upon receipt of the Gift Cards from the Accounting Division, the messenger should ensure that the bottom portion of the Gift Card Request form has been completed correctly. The messenger signs the request form verifying the receipt of the Gift Cards.
- 4.5.7 The Clinic Manager ensures that the Annual Signature Update Sheet (Attachment 9) is reviewed and submitted to the Accounting Division at least once a year or when a change in Clinic Manager, primary designated custodian, designees, and approved messengers occurs.
- 4.6 Clinic Closures
- 4.6.1 When a LACDMH facility, section, unit, or program, that has Gift Cards ceases operation, the following must occur:
- 4.6.1.1 Prior to closure, the custodian is to secure the Gift Cards and report the status to the Accounting Division.
- 4.6.1.2 Return the Gift Cards intact, to the Accounting Division Custodian in the Revenue Section the same day as the facility closure or the following business day. All Safe Inventory logs



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and distribution logs are to be provided to the Accounting Division with the Gift Cards.

- 4.6.1.3 Transfers all new gift cards to the Processor via creation of the Gift Card Record of Transfer (See Attachment 8).

**AUTHORITY**

County Fiscal Manual

**ATTACHMENTS (HYPERLINKED)**

1. [Gift Card Request Form](#)
2. [Special Request Form](#)
3. [Gift Card Distribution Control Log](#)
4. [Sample Gift Card Distribution Control Log](#)
5. [Gift Cards Safe Inventory Log](#)
6. [Custodian's Distribution Inventory Log](#)
7. [Gift Card Authorization](#)
8. [Example of Gift Card Record of Transfer](#)
9. [Annual Signature Update Sheet](#)

**REVIEW DATE**

This policy shall be reviewed no later than five (5) years following its effective date.

**RESPONSIBLE PARTY**

Chief, Administrative Services Bureau  
Chief, Accounting Division

Temporary Suspended as of 7/21/11