Internal Controls Policy for Gift Card Payments to Study Subjects

Gift cards are cash-like instruments used in lieu of cash or check. Since gift cards are cash equivalents, it is important that organizational units handle and account for them appropriately.

Purpose: To provide for the proper safeguarding of gift cards within OB/GYN.

In addition to the controls outlined below, OB/GYN staff using gift card cards will follow all guidelines in Fiscal Policy – Gift Certificates and Cards (available at http://www.ucdenver.edu/about/departments/finance/Pages/Gift-Cards-and-Petty-Cash.aspx).

A. Custody

One study team member will serve as the custodian of the gift card for each program tied to a research study. The custodian is responsible for ensuring that all purchasing, security, dispensing, tracking, and replenishing procedures are followed. In most cases, the person responsible for dispensing gift cards should hold this responsibility. Any changes in custodian will be approved by the Research Services Manager for the study before custodian change paperwork is completed and sent to Finance.

B. Approval and Purchasing

1. Complete the Gift Card Authorization Request (GC) form
2. Submit to Research Services Manager (Chanel Mansfield)
3. Upon Manager’s approval, DFA/Fiscal Manager will sign and return
4. Submit to Finance office: PCGC@ucdenver.edu
5. Upon approval, gift cards may be purchased using the University Procurement Card or a purchase order in the CU Marketplace. The expense for gift card purchases should be recorded with an account code of 495102. Carts or expense reports should be sent to Chanel for approval.

C. Securing

Physical gift cards must be secured at all times, e.g., in a locked box inside a locked cabinet or drawer accessible only by the custodian.

Electronic gift cards, or corresponding links or serials numbers, will be stored in a password protected file in a locked folder on the OB/GYN shared drive on the shared server, as applicable. This is not applicable if gift cards are sent directly from the vendor and links/serial numbers are not provided. *Also see the electronic gift cards for study subject payment policy.
D. Tracking

Gift card custodians will use the Audit Log template provided by Finance to track gift card distributions to study subjects and survey participants.

**Distribution:** Gift card issuances should be documented in a log (spreadsheet) or in a standard (prenumbered) receipt book. This must uniquely identify each payment in order to document the appropriate use of the card for audit purposes.

Information to be included for each card shall include at a minimum: Recipient name or study subject ID (the study subject ID is any number assigned by the organizational unit to identify the individual in order to protect confidentiality); Date; Purpose of payment; Serial number of gift card; Payment amount; Signature or initials of recipient.

The custodian must also keep a log (e.g., a spreadsheet) of gift card purchases and disbursements for audit purposes. This log must tie the above receipts (e.g., by receipt number and/or card number) to the purchases of gift cards recorded in the People Soft Finance System (e.g., by Journal ID). This log will be used by the campus controller’s (finance) office to audit the accuracy and adequacy of the gift card recordkeeping. This is particularly important in demonstrating that gift cards are reasonably allocable to a grant. **Not requirement, but just keep receipts and dates.**

**Mailing gift cards:** When gift cards are distributed via mail, the Research Services Manager, another research study coordinator, the principal investigator, or another OB/GYN staff member to whom the Research Services Manager has delegated authority, will witness the distribution of gift cards by mail. The witness will sign a Gift Card Distribution Form stating that they witnessed the mailing of the cards and citing the corresponding serial numbers.

**E-mail or electronic distribution:** When gift cards are distributed electronically (by email or other electronic means) and are not physically present in the OB/GYN offices, the custodian will track the appropriate information related to gift cards being purchased and distributed. **The custodian will contact PCGC@ucdenver.edu** if there are questions about the information that needs to be tracked when gift cards do not meet the standard criteria outlined in the Audit Log provided.

**Example:** Starbucks gift cards distributed by Starbucks directly to recipients via e-mail. Serial numbers are not given to the purchaser, and so individual cards cannot be tracked. In this case, the custodian will modify the Audit Log to track the Event information for the participant, the date of the card order, the date Starbucks confirmed they were sent, and the Order Number for the gift cards sent, in addition to the PeopleSoft Journal ID, and gift card purpose.

**E. Voids.**

Before voiding gift certificates, custodians will contact the vendor for related conditions and refund procedures. Voided gift certificates need to be defaced and sent to the Research Services Manager. Any
refund monies received from the vendor shall be deposited immediately to the appropriate university speedtype against the expense.

**F. Lost cards.**

OB/GYN staff acting as custodians of gift cards are responsible for lost or stolen gift cards and may be held personally liable for the value of any missing cards. Any shortage must be reported immediately to the campus controller’s (finance) office, who will liaison with the campus police department as appropriate.

**G. Inventory.**

The custodian will conduct quarterly reconciliations to ensure that the cards purchased and distributed agree with those in the Audit Log. This reconciliation should consist of verifying that the number of cards purchased minus the number of cards disbursed agrees with the number of cards on hand. The **inventory needs to be performed by an individual who is not responsible for the issuance or custody of the gift cards (OB/GYN Research Services Manager)** and in the presence of the custodian.

The campus controller’s (finance) office will **periodically audit records** related to gift cards, including:

- Vendor receipts (from purchase)
- Issuance receipts (from distribution to recipients)
- Log
- Inventory of unused gift cards (minimization of card inventory at any one time, record of card inventory, security of card inventory, appropriate disposition of unused cards at end of study)
- Whether receipts and logs support the gift card purchase transactions
- All gift card inventories must be available for unannounced audit.

**H. Closing or Revising Programs.**

To change information about a gift card program (e.g., custodian, SpeedType, amount), the organizational unit should complete a Gift Card Authorization Request (GC) form identifying only the changes, attach a copy of the initial GC form, and submit to the Research Services Manager as described in section B.

To close a gift card program, the organizational units should contact the campus controller’s (finance) office for instructions.
I. Voids or Cancellations

It is generally difficult to obtain refunds for unused gift cards. As a result, you are cautioned to only purchase gift cards as you are ready to issue them. If you have unused cards, contact the Research Services Manager to determine options. If you get a refund, we will need to deposit the funds into the appropriate Speedtype against the expense. If you cannot return them, we will need to work with the Finance office to determine options. It may be possible to re-purpose them for another study; however, we must move the expense of the project to an unrestricted source.

J. W-9 Collection

The custodian will collect a W-9 from participants receiving over $100 during the calendar year. The W-9s will be maintained in a secure location. The custodian will track payments to ensure a W-9 is collected from all participants who will exceed $100 in a calendar year. This information will be reported to the Procurement Service Center at the end of the calendar year using the 1099MISC spreadsheet following the instructions provided by the Finance Office.