



Prepaid Cards Procedure

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Signed by:
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On Behalf of Georgina Yoshioka, DSW, MBA, LCSW, Director

Purpose

The purpose of this procedure is to provide DBH workforce with standardized steps to follow for the purchase and distribution of Prepaid Cards.

**Designating
and Changing
Fund
Custodians**

Fund Custodian Designation

The Program Manager who has requested the commencement of a Prepaid Card will receive a request from Provider Support and Accounting Services (PSAS) to designate a Fund Custodian. A Signature/Fund Custodian Authorization form and Questionnaire for Prepaid Cards form will be sent directly to the Fund Custodian for signature and completion. The Fund Custodian will complete the documents and submit them to DBH-PSAS at dbh-fiscalservicesap@dbh.sbccounty.gov.

To make a change to the Fund Custodian, contact DBH-PSAS at the email mentioned above.

To file a [Signature/Fund Custodian Authorization form](#) and [Questionnaire for Prepaid Cards form](#), route via interoffice mail to:

0026 DBH – PSAS
Attention: Accounts Payable

**Requesting A
Prepaid Card
Program**

DBH Program will coordinate with Budgets Audits and Support Services (BASS) to request a budget to purchase and distribute Prepaid Cards. BASS will determine the budget and allocate the funds to the cost center(s), as appropriate.

- Requests to distribute Prepaid Cards must be submitted via email to DBH-BASS at dbhbudgets@dbh.sbccounty.gov.
- Requests to increase the amount of Prepaid Cards to be distributed by a Cost Center/Location must be submitted via email to DBH-BASS at dbhbudgets@dbh.sbccounty.gov.
- Requests to decrease the amount of inventory or discontinue Prepaid Card distribution by a Cost Center/Location must be submitted via email to DBH-BASS at dbhbudgets@dbh.sbccounty.gov.

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Prepaid Cards Procedure, Continued

Purchasing Prepaid Cards Programs are to submit all requests to purchase Prepaid Cards, as defined, on the DBH Purchase Request form (BOP007), via email to DBH Contracts Procurement Unit (CPU) at procurement@dbh.sbccounty.gov. An assigned Contract Procurement Fiscal Specialist will process purchase requests as needed.

Note: Programs are not permitted to use Cal Cards to purchase Prepaid Cards, as defined.

Monthly Inventory The steps below are to be followed by the Fund Custodian to conduct a Monthly Inventory:

Step	Action
1	The inventory will be made on the last day of the month or on the first (1 st) business day of the month if the last day of the month falls on a weekend or a holiday.
2	Two (2) staff members will be assigned to conduct the inventory and the Fund Custodian will witness the inventory.
3	The staff members assigned to conduct the inventory will: <ul style="list-style-type: none">Count the number of Prepaid Cards on hand for the Cost Center(s)/Location(s) for which the observing Fund Custodian is responsible;Ensure the current Prepaid Debit/Gift Card Inventory Sheet (including Bus Passes) (BOP027) demonstrates the correct number of inventory on hand as well as correlates with the transactions on the Prepaid Debit/ Gift Card Reconciliation Sheets;Complete a separate inventory sheet for each Cost Center/Location, if the fund custodian is responsible for more than one;Research and resolve any differences between the physical inventory and the program's recorded inventory, andAny violation including shortages, suspected theft, embezzlement and/or falsification of logs, etc. must be documented and reported immediately as referenced in Prepaid Card Policy (BOP3030).
4	The Program Manager or designee will review and sign the Inventory Sheet.
5	An assigned staff member will: <ul style="list-style-type: none">Make a copy for the program filesSubmit the original signed inventory sheet no later than the fifth (5th) business day of the following month to:<p>0026 DBH – PSAS Attention: Accounts Payable</p>

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Prepaid Cards Procedure, Continued

Annual Inventory	<p>An Annual Inventory is conducted in the same manner and with the same staff assignment requirements as a Monthly Inventory, to be completed on June 30 each year. In addition, the Annual Inventory Report includes:</p> <ul style="list-style-type: none">• A reporting form provided to each Fund Custodian• Copies of the continuous written log kept by the Fund Custodian, documenting all fiscal year transactions, such as are contained on the monthly Prepaid Debit/Gift Card Reconciliation Sheet (including Bus Passes) (BOP027).• Copies of all documentation related to investigations of differences discovered during reconciliations.• Copies and the originals of the fiscal year's Request to Distribute Prepaid Cards (BOP026) forms.
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The original signed report is to be copied for program files and submitted no later than the second (2nd) business day of July to:

0026 DBH – PSAS
Attention: Accounts Payable

Note: The Annual Inventory and Annual Reconciliation are submitted together.

Monthly Reconciliations	Monthly Reconciliations, as defined, are conducted as follows:								
	<table border="1"><thead><tr><th>Step</th><th>Action</th></tr></thead><tbody><tr><td>1</td><td>The inventory shall be conducted on the last day of the month, or on the first (1st) business day of the following month if the last day of the month falls on a non-business day.”</td></tr><tr><td>2</td><td>The Fund Custodian or a designated staff member will complete the Prepaid Debit/Gift Card Inventory Sheet (including Bus Passes) (BOP027) for each Cost Center/Location</td></tr><tr><td>3</td><td>The reconciliation will include:<ul style="list-style-type: none">• The total amount of cards on hand from the last two monthly inventories, to be calculated as follows:<ul style="list-style-type: none">○ Use the total amount from the older inventory as the beginning amount;○ Use the total amount from the more recent inventory as the ending amount;○ Determine from the Fund Custodian's continuous written log the total new cards that were received (if any) during the period between the two inventories in the first bullet;</td></tr></tbody></table>	Step	Action	1	The inventory shall be conducted on the last day of the month, or on the first (1 st) business day of the following month if the last day of the month falls on a non-business day.”	2	The Fund Custodian or a designated staff member will complete the Prepaid Debit/Gift Card Inventory Sheet (including Bus Passes) (BOP027) for each Cost Center/Location	3	The reconciliation will include: <ul style="list-style-type: none">• The total amount of cards on hand from the last two monthly inventories, to be calculated as follows:<ul style="list-style-type: none">○ Use the total amount from the older inventory as the beginning amount;○ Use the total amount from the more recent inventory as the ending amount;○ Determine from the Fund Custodian's continuous written log the total new cards that were received (if any) during the period between the two inventories in the first bullet;
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Prepaid Cards Procedure, Continued

Monthly Reconciliations, continued

	<ul style="list-style-type: none">• Determine from the Fund Custodian's log the total number of cards distributed (if any) during the period between the two inventories referenced above, indicating that these cards are no longer held by DBH - either because they have been transferred to another Cost Center for further distribution or have reached their final intended recipient.• Take the beginning amount, add the receipts from the second bullet, and subtract the distributions from the third bullet. The resulting amount must equal the first bullet ending amount, and• Research and resolve any differences.<ul style="list-style-type: none">○ Immediately report any violation involving shortages, suspected theft, embezzlement and/or falsification of logs, etc. as referenced in Prepaid Card Policy (BOP3030).
4	The Program Manager or designee must review and sign/attest to the accuracy of the Inventory Sheet.
5	<p>The Program Manager or designee will:</p> <ul style="list-style-type: none">• Make a copy for the program files• Submit the original signed inventory sheet no later than the fifth (5th) business day of the following month to: <p>0026 DBH – Admin./Fiscal Services Attention: Administrative Supervisor I – General Accounting</p>

Annual Reconciliations

An Annual Reconciliation is conducted in the same manner and with the same staff assignments as a Monthly Inventory. The forms are sent from Admin/Fiscal, to be completed on June 30 each year. The original signed documents are to be copied for program files and submitted along with copies of the fiscal year's Request to Distribute Prepaid Cards forms by the second (2nd) business day of July to:

**0026 DBH – Admin/Fiscal Services
Attention: Administrative Supervisor I – General Accounting**

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Prepaid Cards Procedure, Continued

Purchasing and Distributing Prepaid Cards

Prepaid Cards shall be distributed under strict controls in accordance with the Prepaid Cards Policy. The following steps must be followed for requesting and distributing Prepaid Cards:

Step	Action
1	<p>A staff member designated and approved by the Program Manager shall complete the Request to Distribute Prepaid Cards (BOP026) form to request Prepaid Cards, as follows:</p> <ul style="list-style-type: none">• Use permanent ink;• Complete every line, and• Sign and date the request <p>Note: Do not line through or allow anyone else to line through any names or signatures on this form.</p>
2	A supervisor or above, other than the Fund Custodian, will approve and sign the Prepaid Card request. The approving staff member must be of a higher-ranking job code than the requesting staff member.
3	The requesting staff member presents the Prepaid Card request to the Fund Custodian.
4	The Fund Custodian shall complete a BOP026 purchase request to purchase additional Prepaid Cards and submit it to DBH-Procurement via email at, dbh-fiscalservicesap@dbh.sbcounty.gov .
5	<p>Once received, the DBH-Procurement staff will process the request for purchase.</p> <p>DBH- Procurement Unit staff writes an entry on the Procurement Tracking Log and processes the purchasing and payment for the requested Prepaid Cards.</p> <p>Once the Prepaid Cards are received by DBH-Procurement, DBH-Procurement will submit a ticket for a DBH-Facilities and Project Management (FPM) storekeeper to pick up and deliver Prepaid Cards to the Program's Fund Custodian.</p>

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Prepaid Cards Procedure, Continued

Purchasing and Distributing Prepaid Cards	A Receipt of Negotiables triplicate form will be provided to the Storekeeper for signature from both the storekeeper and the Program's Fund Custodian to confirm delivery of Prepaid Cards. The triplicate form's white copy shall be maintained by DBH-Procurement. The yellow copy shall be maintained by DBH-FPM. The pink copy shall be maintained by the Program's Fund Custodian. A signed copy of the pink form shall be either returned to DBH-Procurement via interoffice mail to 0026, Attention: DBH-Procurement or via email to the DBH-Procurement staff who purchased the Prepaid Cards.
6	The requesting staff member documents the receipt of the Prepaid Card(s) in the Program's written log.
7	The requesting staff member distributes the Prepaid Card(s) to eligible clients or the public.
8	If appropriate, the recipient(s) prints and signs their name(s) and the date on the Prepaid Card request to document receipt of the Prepaid Card(s). Note: If various cards are being used in outreach events for the general public, the staff distributing the cards may sign as the recipient. A reference to the event must be noted on the log. Any undistributed cards must be returned and logged back in the Inventory Forms.

Note: DBH staff must also follow any documentation requirements specific to the program (or function) from which the Prepaid Cards are being distributed.

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Prepaid Cards Procedure, Continued

Fund Custodian Continuous Reconciliation

Fund Custodian documentation continues after the Prepaid Card request form is returned by the requesting staff member. The documentation includes:

Step	Action
1	Check the returned Request for Prepaid Cards form to ensure dates or signatures have not been lined through.
2	Count all Prepaid Cards that were not distributed.
3	Reconcile cards transferred to the requesting staff member and any returned cards with the total amount requested.
4	Return all undistributed cards back to the card inventory.
5	Adjust the written log accordingly.
6	Copy the Request to Distribute Prepaid Cards form for annual reporting.
7	Place the original documents and the copies in a locked area that is only accessible to authorized staff.

Note: Only redacted Request to Distribute Prepaid Card forms will be made available for audit purposes, in adherence to Minimum Necessary Standard Rule.

Referenced Forms, Policies, and Procedures

Standard Practice Manual and Forms:

- Purchasing Procedure (BOP3017)
- Prepaid Cards Policy (BOP3030)
- Bus Pass Program Policy (CLP0832)

Internal DBH Forms and Manuals:

- Purchase Request Form (BOP007)
- Request to Distribute Prepaid Cards (BOP026)
- Prepaid Debit/Gift Card Inventory/Reconciliation sheet (including Bus Passes) (BOP027)

Reference(s)

- [County Auditor-Controller/Treasurer/Tax Collector \(ATC\)](#): ATC Internal Controls and Cash Manual, Chapter 19 Prepaid Debit Cards, Gift Cards, Gift Certificates, Vouchers and Coupons and Chapter 3, Section 3 Cash Controls.
- [45 Code of Federal Regulations \(CFR\) 164.502 - Minimum Necessary Requirement](#)
