



## Prepaid Cards Policy

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

**Policy**

It is the policy of the Department of Behavioral Health (DBH) to comply with the County Auditor-Controller/Treasurer/Tax Collector (ATC) Internal Controls and Cash Manual procedures and guidelines when purchasing and distributing Prepaid Cards for DBH programs and functions.

**Definitions**

**Prepaid Cards:** Prepaid Cards are considered cash equivalents requiring Cash Control procedures. DBH distributes these to provide assistance to members that meet program requirements.

Prepaid Cards include the following:

- Prepaid Debit Cards
- Gift Cards
- Gift Certificates
- Vouchers
- Coupons
- Bus Passes

**ATC Internal Controls and Cash Manual:** A document that provides instruction to safeguard county assets and for reliable financial record keeping. Chapter Nineteen (19) provides complete information regarding Prepaid Cards. Chapter Three (3), Cash Controls, describes appropriate procedures to Safeguard Cash (3-3).

**Annual Inventory Report:** A count of Prepaid Cards on hand completed on June 30 of each fiscal year or on the last business day prior to June 30 if that date falls on a weekend or holiday. An Inventory Reporting Form will be provided to each Fund Custodian for completion for those cost center(s)/location(s) for which the Fund Custodian is responsible. The Fund Custodian may not conduct the Monthly Inventory, per Segregation of Duties as defined. The inventory is to be completed by “employees other than the card custodian” and an “employee of a higher-ranking job code reviews and signs off on it.”

**Annual Reconciliation:** Reconciliation conducted on June 30 of each fiscal year or the last business day prior to June 30 if that date falls on a weekend or holiday. It is conducted in the same manner as a Monthly Reconciliation.

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## Prepaid Cards Policy, Continued

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### Definitions, continued

**Chain of Custody:** This describes maintaining a continuous written log documenting the following:

- Card receipts
- Distributions and handling Prepaid Cards
- Intradepartmental movement of Prepaid Cards

**Fund Custodian:** A staff member designated by the Program Manager for the Cost Centers/Locations using prepaid cards and is responsible for maintaining the stock of prepaid cards. In some cases, a Fund Custodian may be the custodian of Prepaid Cards for more than one Cost Center. Each Fund Custodian has a Signature/Fund Custodian Authorization form on file with DBH and ATC.

**Intradepartmental Movement:** A term to describe when prepaid cards assigned to a single program are distributed to multiple locations, such as DBH's assignment of cards to various divisions.

**Monthly Inventory:** A count made on the last day of each month (or the last business day of the month if the last day of the month falls on a weekend or holiday) of prepaid cards on hand at those Cost Center(s)/Location(s) for which the Fund Custodian is responsible. The Fund Custodian may not conduct the Monthly Inventory, per Segregation of Duties. The inventory is to be completed by "employees other than the card custodian" and an "employee of a higher-ranking job code reviews and signs off on it."

**Prepaid Debit/Gift Card Inventory Sheet (including Bus Passes) (BOP027):** A document used to record Monthly Inventory and lists:

- The Merchant
- Card account number or ID
- Card denomination
- Quantity
- Total per merchant and card denomination
- Grand total of number of cards and cash value on hand

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## Prepaid Cards Policy, Continued

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### Definitions, continued

**Prepaid Debit/Gift Card Reconciliation Sheet (including Bus Passes) (BOP027):** A one-month, two-page continuous written log used to document all prepaid card transactions, such as:

- Card receipts
- Card distributions
- Intradepartmental card movement

**Monthly Reconciliation:** A monthly process to verify that the number of prepaid cards on hand matches inventory records, based on purchases and distributions, and that no cards are missing. Reconciliation is completed as of the last day of each month (or the last business day prior if it falls on a weekend or holiday) using the Prepaid Debit/Gift Card Reconciliation Sheet (BOP027), including Bus Passes. A separate reconciliation is required for each Cost Center/Location. The reconciliation must be completed by a staff member other than the Fund Custodian and of a higher-ranking job code; if completed by the Fund Custodian, it must be reviewed and signed by a higher-ranking staff member.

**Prepaid Cards Procedure (BOP3030-1):** Provides staff with instructions for purchasing and issuing Prepaid Cards. They may differ or be more stringent than those contained in the Internal Controls and Cash Manual. In those instances, DBH procedures must be followed.

**Request to Distribute Prepaid Cards (BOP026):** A document completed by staff to request all forms of Prepaid Cards for a member or other authorized recipient. For authorized recipients of Bus Passes, see the Bus Pass Program Policy (CLP0832).

**Segregation of Duties: This practice** ensures all Prepaid Card duties are not assigned to one individual who has access/responsibility to the entire Prepaid Card process. Each of the following functions must be segregated:

- Purchasing
- Receipting
- Distributing
- Inventorying
- Reconciling
- Reporting

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## Prepaid Cards Policy, Continued

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### Roles and Responsibilities

DBH Staff involved with the purchase and issue of Prepaid Cards are identified and their duties appropriately segregated as described below:

Roles	Responsibilities
Fund Custodian	<ul style="list-style-type: none"><li>Controls and tracks their division/unit/location's requests and issuance of Prepaid Cards</li><li>Reads and becomes familiar with the DBH Prepaid Card Policy and these procedures</li><li>Reads and becomes familiar with Chapters 19 and 3.3 of the ATC Internal Controls and Cash Manual</li><li>Maintains the fund continuous written log of transactions</li><li>Submit Purchase Request (BOP007) to order prepaid cards, when applicable</li><li>May conduct the Monthly and Annual Reconciliation, as defined, on the Prepaid Debit/Gift Card Reconciliation Sheet (including Bus Passes) (BOP027).</li></ul>
Program Manager	<ul style="list-style-type: none"><li>Designates Fund Custodians and changes of Fund Custodians</li><li>Assigns responsibility for Monthly and Annual Inventory to a staff member other than the Fund Custodian</li><li>Assigns responsibility for Monthly and Annual Reconciliations to a staff member if they are not conducted by the Fund Custodian</li><li>Reviews and signs off on documents, or designates the duty to a staff member other than the Fund Custodian and of a higher-ranking job code than the staff member completing the document, as follows:<ul style="list-style-type: none"><li>Monthly Inventory</li><li>Monthly Reconciliation</li><li>Annual Inventory Report</li><li>Annual Reconciliation</li><li>Purchase Request(s)</li></ul></li></ul>

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## Prepaid Cards Policy, Continued

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<b>Roles and Responsibilities, continued</b>	DBH Budget and Audit Support Services (BASS)	<ul style="list-style-type: none"><li>• Coordinates with Program to determine budget</li><li>• Processes Request to Distribute Prepaid Cards</li><li>• For increases to the amount of Prepaid Cards for a Cost Center</li><li>• To decrease the amount of inventory of Prepaid Cards for a Cost Center</li></ul>
DBH Contracts Procurement Unit (CPU) – Supervising Fiscal Specialist	<ul style="list-style-type: none"><li>• Processes requests:<ul style="list-style-type: none"><li>○ To purchase prepaid cards and bus passes</li></ul></li><li>• Distribute purchased prepaid cards and bus passes to program Fund Custodian(s)</li></ul>	
DBH Fiscal Specialist – Provider Support and Accounting Services (PSAS)	<ul style="list-style-type: none"><li>• Processes new ATC <a href="#">Signature/Fund Custodian Authorization</a> forms for signatures</li><li>• To discontinue Prepaid Card distribution for a Cost Center</li><li>• Submits Signature/Fund Custodian Authorization forms to ATC</li></ul>	

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<b>Use Limitations</b>	The following limitations/prohibitions apply to the use of Prepaid Cards. Prepaid Cards may <b>NOT</b> be:
	<ul style="list-style-type: none"><li>• Distributed to recipients through the mail</li><li>• Approved for distribution by Fund Custodians, nor may the Fund Custodians sign requests to distribute Prepaid Cards</li><li>• Used for County procurement purposes under any circumstances</li><li>• Used to circumvent County Policy and/or DBH Policy, such as using a Prepaid Card to purchase office supplies</li><li>• Used to purchase alcohol, drugs or tobacco products</li><li>• Distributed for staff expense reimbursement</li><li>• Used as compensation for hours worked</li><li>• Used as a prize, even if the prize is part of a planned activity</li><li>• Purchased with petty cash</li><li>• Given to any County staff as incentive to participate in any function or event</li><li>• Used as an incentive to contribute to any type of DBH or County sponsored fundraising event, as it would be a gift of public funds, which is prohibited</li><li>• Vendor reimbursement</li><li>• Used in a manner not supported by the appropriate funding source (e.g. Behavioral Health Services Act (BHSA) or other grant funding used to pay for these cards).</li></ul>

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## Prepaid Cards Policy, Continued

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Comingling Funds	<p>Prepaid Cards <b>may not</b> be comingled, as follows:</p> <ul style="list-style-type: none"><li>• Prepaid Cards may not be comingled with other County cash funds or staff personal funds, as they are considered to be cash, or funds</li><li>• Prepaid Cards associated with one program function may not be comingled within DBH with those associated with other DBH programs or functions</li><li>• The Request to Distribute Prepaid Cards (BOP026) form must be completed by any DBH Cost Center/Program to give prepaid cards to another Cost Center/Program</li><li>• Any DBH Cost Center/Program receiving cards must account for the Prepaid Cards by entering them on their own Prepaid Debit/Gift Card Reconciliation Sheet (including Bus Passes) (BOP027), in the Received Cards section</li></ul>
Authorized Prepaid Card Use	<p>The intent for using Prepaid Cards is to provide assistance to members that meet the requirements of a given program or function.</p> <p><b>Note:</b> Also see the Bus Pass Program Policy (CLP0832) for authorized use of bus passes.</p>
Prepaid Card Security	<p>The following actions are required to secure Prepaid Cards, as part of the Safeguarding Cash procedures:</p> <ul style="list-style-type: none"><li>• Must be safely secured in a locked box or safe with access limited to only authorized staff; general staff must not have access</li><li>• Must be stored separately for different Cost Centers/Programs</li><li>• Must be separated by vendor and dollar amount</li></ul> <p>Any violation of the requirements described herein must be <i>IMMEDIATELY REPORTED</i>. Violations include shortages, suspected theft, embezzlement and/or falsification of logs, etc. must be reported to the following:</p> <ul style="list-style-type: none"><li>• Program Manager</li><li>• Deputy Director</li><li>• DBH – Provider Support and Accounting Services (PSAS) Administrative Supervisor, who must issue notification to the Office of Compliance at, <a href="mailto:dbh-compliancehotline@dbh.sbccounty.gov">dbh-compliancehotline@dbh.sbccounty.gov</a>.</li></ul>
Adherence	<p>Failure to comply with this policy may result in disciplinary action, up to and including termination of employment.</p>

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## Prepaid Cards Policy, Continued

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<b>Related Policy or Procedure</b>	<b>Standard Practice Manual and Forms:</b>
	<ul style="list-style-type: none"><li>• Purchasing Procedure (BOP3017)</li><li>• Prepaid Cards Policy (BOP3030)</li><li>• Bus Pass Program Policy (CLP0832)</li></ul>
	<b>Internal DBH Forms and Manuals:</b>
	<ul style="list-style-type: none"><li>• Purchase Request Form (BOP007)</li><li>• Request to Distribute Prepaid Cards (BOP026)</li><li>• Prepaid Debit/Gift Card Inventory/Reconciliation sheet (including Bus Passes) (BOP027)</li></ul>
<b>Reference(s)</b>	<b>County Auditor-Controller/Treasurer/Tax Collector (ATC):</b> 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