



American Rescue Plan-Homeless Children and Youth (ARP-HCY) Gift Card Procedures

Allowability

Purchasing supplies, including food items, clothing, shoes, and hygiene items for students experiencing homelessness is allowable under ARP-HCY. LEAs are encouraged to directly purchase items or supplies students require to fully participate in school. Providing gift cards to a student or a parent/guardian to purchase allowable items or supplies is also acceptable. If an LEA chooses to purchase gift cards for these expenses, please keep the following fiscal information in mind.

Best Practices

- Ensure the LEA's policies and procedures allow the purchase of gift cards to provide supplies. If the LEA's policies or procedures prohibit this practice, then this is not allowed.
- The LEA has procedures to ensure allowable items were purchased for the intended purpose and for student use.
 - LEA may consider using an agreement with the student or family to ensure they know the allowable costs for the card.
- LEA follows up to ensure the procedures were met.

Obligating Items Purchased with Gift Cards

Expenditures for items purchased with gift cards may be claimed with federal funds **after** the items are purchased. The cost of the actual gift card cannot be claimed because the card is still cash at that time. All that has been done is a conversion from cash into a card. Funds may be obligated once the allowable items are purchased. In other words, **the purchase of the card is not the obligation; purchasing the items is the obligation; and the items purchased are budgeted and claimed (not the gift card).**

Procedure Example:

1. The homeless liaison asks a student or family experiencing homelessness to sign a "gift card agreement". This agreement should include:
 - a. the intended purpose of the gift card (purchase of hygiene items, shoes, winter coat, snacks, etc.),
 - b. requirements from the district, such as a receipt of purchased items, and
 - c. may include a note on how the amount of the gift card was decided upon by the district.
2. The homeless liaison maintains records that include the date gift cards were issued, recipients of the gift cards, amounts on the gift cards, and vendor of the card (i.e., Target, Walmart, etc.).

3. The homeless liaison communicates with LEA fiscal staff when gift cards are used appropriately.
4. The fiscal staff charges the items purchased with the gift cards (**not** the actual gift cards) to the ARP-HCY grant. The LEA will not charge any funds from gift cards that were misused based on the “gift card agreement” or used for items not allowed under the ARP-HCY federal grant or the Federal Uniform Grant Guidance (2 CFR 200 Subpart E-Cost Principles).
5. The LEA has a procedure in place and follows the procedure in the event that a recipient misuses the gift card. For students and families experiencing homelessness, it is not realistic to expect the student/family to reimburse the district for the unallowable items.
6. Throughout the year, LEA fiscal staff or the business manager ensures the homeless liaison follows the LEA’s procedures.

For more information about allowable uses of ARP-HCY funds, please see the DPI ARP-HCY webpage: www.dpi.wi.gov/homeless/arp-hcy.

For more information on obligations of federal funds, see the Code of Federal Regulations section on when obligations are made: 34 CFR 76.707, <https://www.law.cornell.edu/cfr/text/34/76.707>.

For further assistance on matters pertaining to Education of Homeless Children Youth (EHCY), please contact DPI EHCY staff: <https://dpi.wi.gov/homeless/contacts>.