

# ACF Gift Card Guidance



Grant recipients can generally provide program participants with gift cards as an incentive to meet the purposes of a federal program as long as the expenditure can be justified as meeting one or more of the statutory purposes of the program.

For program purposes, the expenditure occurs at the time the gift cards are purchased from a retailer. However, recipients should return unused gift cards to the retailer, per their own organization's policies. If the organization does not have their own policy regarding returning unused gift cards, then they should create one (see [45 CFR 75.406\(a\)\(b\), Applicable Credits](#)). Returning gift cards to retailers will necessitate an agreement between the grant recipient and the retailer involving the return of any unredeemed amounts (and the time frame for doing so) to the recipient.

The amount of funds recovered (due to returning unused gift cards to retailers) must be spent on an allowable program purpose. The fiscal control and accounting procedures explained in the regulations at 45 CFR 75.302 as well as the audit requirements at [45 CFR 75.501 Audit Requirements](#) will apply to these expenditures.

If the retailer of the gift cards agrees to donate a portion of the card's value to the grant recipient, the donated amount can be treated as a third-party contribution to the recipient provided that the regulatory requirements at [45 CFR 75.306 Cost Sharing or Matching](#) are met. A key feature of these requirements is the need to establish a documented agreement between the grant recipient and the retailer that allows the recipient agency to count the value of the retailer's contribution toward its match requirement. Further, the grant recipient will count the retailer's donation to the value of the gift cards as a match at the time the gift cards are purchased by the recipient agency.