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PROGRAM MEMO

TO: Aging and Disability Resource Connections

NO: 21-21

DATE ISSUED: October 27, 2021

EXPIRES: Until Superseded or Rescinded

PROGRAMS AFFECTED: Aging and Disability Resource Connections

SUPERSEDES: N/A

SUBJECT: Use of Federal CARES Act Aging and Disability Resource Connection/No Wrong Door (ADRC/NWD) System Relief Funds for COVID-19 for Incentives

Purpose

This Program Memo (PM) provides guidance on using federal CARES Act ADRC/NWD System Relief Funds for COVID-19 (ADRC CARES Act Funds) for incentives, including COVID-19 vaccination programs. Incentives can include gifts, giveaways, prizes, and gift cards.

This is based on guidance recently released by the Administration for Community Living (ACL) – [ADRC/NWD COVID-19 Vaccine Access Funding](#) (September 2021).

Note: While guidance contained in this PM applies to the implementation of incentive programs, each funding stream will have respective guidelines on allowable activities:

1. ADRC CARES Act Funds ([Program Memo 21-06](#), March 15, 2021), **MAY BE** used for incentive programs that encourage people to receive COVID-19 vaccinations.
2. ADRC/NWD Vaccine Access Funds ([Program Memo 21-14](#), July 12, 2021), **MAY NOT BE** used for incentive programs.

Background

Businesses, nonprofit organizations, and research entities have long used incentives to raise awareness and encourage participation in their programs and services. Incentives such as gift cards, vouchers, giveaways, or prize items can motivate people to take actions they might not otherwise have taken. When used thoughtfully, incentives can increase the success of many programs.

Planning Your Incentive Program

ADRCs should consider the following elements when designing an incentive program:

- **Proposed Incentive** (i.e., what incentive will be provided?)

- **Justification** (i.e., what is the purpose for the incentive and what is the specific reason for selecting this incentive? What evidence indicates that an incentive is needed, and what evidence suggests that the selected incentive will be effective at achieving the desired result?)
- **Anticipated gains** (i.e., explain how providing such an incentive will defray societal costs or have a positive return on investment, for example by increasing overall participation. Additionally, describe potential unintended negative consequences and how those are outweighed by the benefits)
- **Defined amount** (e.g., cost per person and total allocated funding for the recipient incentives)
- **Qualifications for issuance** (i.e., what makes a person eligible for the incentive? Does it take into consideration issues related to equity in your community?)
- **Method of issuance and tracking** [i.e., how will the incentive be delivered? Does the proposed plan and implementation align with any relevant policies and procedures governing your organization (e.g., procurement, ethics, etc.)? How will the budget and supply be tracked?]
- **Method of evaluation** (i.e., how will the incentive plan be evaluated for effectiveness?)

Requirements for Incentives

- Cash incentives are not allowed.
- Other incentives, including gifts, giveaways, prizes, and gift cards, are allowed.
- If gift cards are offered, they should not be portrayed as an endorsement by the ADRC of any store or company. For this reason, a general purpose pre-paid card (e.g., one issued by a credit card network) would more clearly separate the incentive from appearing to be an endorsement versus a card that can be used at a specific store or with a specific company.
- All costs of the incentive program must meet Federal Cost Principles when purchased with federal ADRC CARES Act Funds (i.e., costs are reasonable, allowable, and allocable).
- The incentive program must adhere to all Uniform Administrative Requirements, Cost Principles, and Audit Requirements for U.S. Department of Health and Human Services Awards found at 45 CFR 75 and other applicable federal laws and regulations.
- If state or local policies, procedures, or requirements are more restrictive than the ADRC/NWD or other federal laws, regulations, or policies, these more restrictive provisions must be followed.
- ADRCs must have written policies and procedures in place for such an incentive program and must be presented when requested.
- Consideration should be given to the purpose of the incentive, how it can be used effectively, sustainability, evaluation, and equity.
- Lotteries are not allowed.

Note: Under California law, it is illegal to operate a lottery or other scheme where property (or an interest in property) is given away in exchange for purchase of a chance to win said property.

(See Cal. Penal Code sections 319; 321.) For example, an organization that operates an incentive or give-away program that requires someone to purchase a ticket for a chance to win a prize is acting illegally under state law. As a result, ADRCs should not use a lottery, raffle, or similar system to award or give away gift cards or other incentive items to program participants. This law does not, however, prevent ADRCs from giving away gift cards or other incentive items on a “non-chance” basis, such as “first-come, first-served” or “while supplies last.”

Each ADRC must use its best judgment and be mindful of the requirements surrounding the funds when creating an incentive program.

Please note that in addition to the California Department of Aging, the State of California Bureau of State Audits, and/or ACL may also audit the funds. (See 45 CFR 75.400, Subpart E, et seq. (i.e., Cost Principles).)

Reporting Fiscal for Incentives

- For incentives provided with ADRC CARES Act Funds, report expenditures monthly using [CDA 7017](#) under the expenditure category of “ADRC Access Functions.”

Service Data for Incentives

- For ADRC CARES Act Funds, report incentives in Section D, questions 7-11, of the [ADRC CARES Act Data Collection and Reporting Form \(CDA 7020\)](#).

Inquiries

For inquiries regarding incentive programs, email: ADRC@aging.ca.gov.



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