Financial Policy

Volume VI

Liabilities

Chapter 13

Unredeemed Coupons

Approved:

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1301 Overview

This chapter establishes the Department of Veterans Affairs’ (VA) financial policies regarding the accounting and reporting of unredeemed coupons by the Veterans Canteen Service (VCS). VCS was established in 1946, in accordance with 38 U.S.C. Chapter 78, to furnish merchandise and services at reasonable prices to Veterans, caregivers, and visitors.

VCS provides Veterans and other interested parties with coupons to enable them to purchase VCS merchandise and/or services offered.

Key points covered in this chapter:
- VA establishes, maintains, and operates Veteran Canteens, where deemed necessary and practicable, at VA medical centers and other Department establishments where similar essential facilities are not reasonably available from outside commercial sources;
- Coupons may be purchased to be used in lieu of cash at Canteen facilities, similar to gift certificates or gift cards used at retail stores;
- VCS will maintain a log of the numbered coupon books and cards to ensure they are not subsequently issued or taken without being purchased;
- VCS records a liability for any coupons or gift cards remaining available for redemption until the coupons or gift cards are redeemed;
- Amounts received for coupon sales will be transferred to the VCS revolving fund account 36X4014; and
- The liability for unredeemed coupons shall be reflected in VA’s consolidated financial statements.

1302 Revisions

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<tr>
<th>Section</th>
<th>Revision</th>
<th>Office</th>
<th>Reason for Change</th>
<th>Effective Date</th>
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<tr>
<td>Various</td>
<td>Reformatted policy and completed full review.</td>
<td>OFP (047G)</td>
<td>Full review of policy</td>
<td>July 2022</td>
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<td>1303 Definitions</td>
<td>Updated Coupons and Gift card definitions.</td>
<td>OFP (047G)</td>
<td>Clarified examples of coupons and gift cards</td>
<td>July 2022</td>
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<td>130501 Authority for Veterans Canteen Service</td>
<td>Added language to explain VCS authority.</td>
<td>OFP (047G)</td>
<td>Clarified specific authority</td>
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1303 Definitions

**Coupon** – A certificate, document, or gift card (e.g., Patriot Buck Coupons or Patriot Buck gift cards, etc.) entitling the holder to merchandise or services from the issuing entity.

**Gift Cards** – A plastic charge card that is “loaded” with a monetary value (e.g., blue or green gift cards) that can be used to buy merchandise at Veterans Canteen Store (VCS).

1304 Roles and Responsibilities

**Veterans Canteen Service** is responsible for administering the VCS coupon program, including the proper accounting, and reporting of unredeemed coupons.

**Veterans Canteen Service, Central Office (DVCSCO),** is responsible for the administrative control of the VCS coupon program.
Chief of the Local Canteen is responsible for establishing controls for the security of unpurchased coupons stored at the local canteen, and for maintaining a log of unpurchased coupon books and gift cards.

1305 Policies

130501 Authority for Veterans Canteen Service

A. VCS is an independent unit within VA, authorized by 38 U.S.C. Chapter 78.

B. VA establishes, maintains, and operates Veteran Canteens at VA medical centers and other Department locations where similar essential facilities are not reasonably available from outside commercial sources.

C. VCS offers merchandise and services for sale.

D. The use of coupons and gift cards in VCS establishments is authorized by VHA Directive 1008, Veterans Canteen Service.

130502 Coupons and Gift cards

A. Coupons and gift cards may be purchased for use in lieu of cash at Canteen facilities, similar to gift certificates or gift cards used at retail stores.

B. Coupons may be purchased by Veteran Service Organizations (VSOs), Voluntary Service Program members, and Medical Centers and distributed to Veterans at various service events.

C. Coupons and gift card sales are recorded when purchased and a liability is created. The liability is tracked by Stored Value Solutions (SVS), a private third-party vendor, via a secure portal using the unique number assigned to each card.

D. Coupons are sold by the book and will be recorded in the Patriot Coupon Log with the customer’s name and the serial number of the coupon book(s) purchased. This log shall be kept in a safe at the canteen along with any and all unsold books. The log will be reconciled at the end of each business day to ensure records are properly updated. Coupons shall be defaced when presented for payment.

E. Gift cards are available to customers to purchase at VCS locations. Reference Appendix A for the types of coupons and gift cards available for purchase.
130503 Distribution of Coupons from VCSCO to Local Canteen Stores

A. VCSCO distributes the coupon books and gift cards to the local VCS canteens.

B. Upon receipt, the local VCS Chief will store coupons in a secure manner.

C. VCS will maintain a log of the numbered coupon books and gift cards to ensure they are not subsequently issued or taken without being purchased.

130504 Sale of Coupons

A. VA organizations (e.g., VSOs, Medical Centers, etc.) that need to buy coupons in bulk or where a VA canteen is not present, may make purchases from VCS Central Office using the VCS Gift Card Order Form. A link can be found in the authorities and references section.

B. VCS will collect payment for coupons in the form of cash, check, or credit/debit card. Checks for the purchase of coupons will be made payable to the VCS not the VAMC or VA.

C. Use of federal funds to purchase coupons or gift cards is limited. Refer to Volume XVI, Chapter 1B Government Purchase Card for Micro-Purchases, Volume XVI, Chapter 1C Government Convenience Checks and Volume II, Chapter 4 Awards, Ceremonies, Food or Refreshments, Gifts or Mementos for approved uses.

D. VCS will recognize the total amount of coupons sold as an increase to Cash and Unredeemed Coupons – Canteen liability.

E. VCS will account for the total amount of all unredeemed coupons as a liability.

F. Amounts received for coupon sales will be transferred to the VCS revolving fund account 36X4014.

130505 Redemption

A. Coupons, provided in books, will not be accepted by the canteen if previously detached from the book unless the VCS Chief determines that the acceptance of detached coupon is justified.
B. Coupons will be redeemed for cash under the following circumstances:

   1. By patients and family members for use in coin-operated vending machines.
   2. To reimburse contractors who have received payment in the form of coupons from patients or family members for services provided (e.g., haircut).
   3. By patients or family members in possession of coupons at the time of discharge.
   4. By the executor of the estate of a deceased member.

C. When coupons are used to make a purchase, the unredeemed coupon liability account will be reduced with a corresponding increase to the sales account.

D. Unredeemed coupons remain open until used, since the coupons do not have an expiration date.

E. VCSCO will report nationwide unredeemed coupons as Other Public Funded Liabilities on its Consolidated Balance Sheet with an appropriate note disclosure.

1306 Authorities and References

38 U.S.C. Chapter 78, Veterans’ Canteen Service

VHA Directive 1008, Veterans Canteen Service

VHA Directive 4721, VHA General Post Funds - Gifts and Donations

VCS Gift Card Order Form

1307 Rescissions


1308 Questions

Questions concerning these financial policies and procedures should be directed to the specific POC’s and formatted as follows using the group email.

VHA
VBA
All Others

VHA 10A3A Accounting Policy (Outlook)
VAVBAWAS/CO/OPERATIONS (Outlook)
OFP Accounting Policy (Outlook)
Appendix A – Gift Card Quick Reference Guide

VCS GIFT CARD & COUPON GUIDANCE

*Refer to PCMS Quick Reference Guide for cashier instructions

BLUE GIFT CARDS

- Use: Customer purchases VCS gift card to give as gift
- Max Loadable Amount $500
- Reloadable (Top Up Gift Card)

Order process:
- Blue Gift Cards are auto-replenished. For concerns or questions about inventory, contact: VCSB2BGiftCardOrders@va.gov

Legacy: blue gift certificate

VCS Blue Gift Card Display Guidance
Display cards and envelopes in acrylic holders at retail & coffee registers. Put a few blue gift cards and envelopes in the food cashier drawers for customer requests. Place order from VCS Warehouse.
- 4 Tier Acrylic Gift Card Holder item #1482
- Gift Card Holder Sign with Adhesive Back item #1554

SERVICE GIFT CARDS

- Use: Medical Center to give to Veterans and/or employee for appreciation, etc.
- Must use Promo funds to purchase
- Max Loadable Amount $75
- Non-Reloadable

ORDER PROCESS:
- VCS Warehouse: Service Card (green) Item #1485 (1 pack = 10 cards)

Legacy: green gift certificate
PATRIOT BUCKS

$1.00 PATRIOTBUCK COUPON BOOK
• Use: VSOs / Vol Service / MC to purchase for use for various Veteran events. (not to be given to VA employees)
• No cash back allowed*

ORDER PROCESS:
• VCS Warehouse: $1 PatriotBucks Coupon Book Item #5094 (1 carton = 2000 books)

$5 PATRIOTBUCK GIFT CARD
• Use: VSOs / Vol Service / MC buys to use for various Veteran events. (not to be given to VA employees)
• Minimum Load Amount $5.00
• Max Loadable Amount $50
• Reloadable (Top Up Gift Card)

ORDER PROCESS
• VCS Warehouse: Patriot Bucks Gift Card Item #1558 (1 pack = 25 cards)

Most common uses are Veteran bingo events or Veteran incentives.

Legacy: $5 PatriotBucks Book

*Only families of deceased Veteran may redeem PatriotBucks back for cash.
**MCs may not use Promo funds as form of payment for purchasing Patriot Bucks.
***VA employees are not allowed to use Patriot Bucks to pay for merchandise or food.

COUPONS: FREE MEAL, BEVERAGE, COFFEE
• MC / Vol Service purchase for service recovery or special events
• No cash back allowed

VCS Warehouse Item #’s:
1321 – Free Beverage (50/pk)
1322 – Free Coffee (50/pk)
1326 – Free Meal (25/pk)
1325 – Service Recovery pocket folder
HUD-VASH / HOMELESSNESS PROGRAM

- Maximum Loadable Amount $50
- Non-Reloadable

ORDER PROCESS:
- VCS Warehouse: HUD/VASH/Homelessness Item #1559 (1 pack = 100 cards)

*This program is suspended until further notice. Currently, cannot accept promo funds for payment on this program. However, local funds can be accepted as payment.

FISHER HOUSE

- Maximum Loadable Amount $50
- Non-Reloadable

ORDER PROCESS:
- VCS Warehouse: Fisher House Item #1560 (1 pack = 100 cards)

*This program is suspended until further notice. Currently, cannot accept promo funds for payment on this program. However, local funds can be accepted as payment.

B2B: BULK GIFT CARD PURCHASES

Available to agencies needing large quantities of gift cards.
- Minimum order is 50 cards.
- Gift cards Min $5, Max $75 and are non-reloadable.
- The agency will fill out the order form and email it to VCSB2BGiftCardOrders@va.gov
- Gift Cards will be shipped directly to the customer and will be unloaded for security purposes.
- The customer will reach out to VCSB2BGiftCardOrders@va.gov once the cards have been received.
- VCSFC will submit a request to activate the gift cards and will be available to use the next business day.