

National Resource Center on Nutrition and Aging
Use of Incentives for Older Americans Act Grantees
FOR TITLE III-C SENIOR NUTRITION PROGRAMS

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Businesses, non-profit 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 an individual to take action when they may not have otherwise. In fact, studies have shown that for projects that involve evaluation and/or research activities, even small incentives – of as little as \$2 in value – can increase participation and survey response rates.¹

The purpose of this resource is to provide Older Americans Act (OAA) grantees with a basic understanding of the most common types of incentives and how to use them effectively within their senior nutrition programs.

Please note that this guidance is not intended to supersede local and state policies. Although this resource is focused on the use of incentives in the senior nutrition program, this information may be useful to other ACL grant programs that currently use or are considering the use of incentives.

General Guidance

As a general rule, incentives to participants or volunteers in ACL grant-supported projects or programs are allowable. Incentives that motivate individuals to participate in grant-supported services, programs, healthcare, or other services are allowable if they are within the scope of an approved project. Mandatory/Formula grantees (e.g., State Units on Aging, Area Agencies on Aging, and local service providers receiving Title III-C 1 and C2 funds) may use incentives if their use meets the intents and requirements of the OAA nutrition program which include: reducing hunger, food insecurity and malnutrition; promoting socialization; and promoting health and well-being. Additionally, they must comply with the current Dietary Guidelines for Americans (DGAs) and the Dietary Reference Intakes (DRIs).

Within the aging network, incentives are a useful tool. When used thoughtfully, they can increase the success of programs, including senior nutrition programs. Senior nutrition programs may use incentives to:

- Promote awareness of programs and services within the community.
- Increase participation in programs and services (e.g., congregate meals, physical activity classes, nutrition education workshops, caregiver support groups, and evidence-based disease prevention and health promotion programs).
- Show appreciation to volunteers and staff.
- Increase participation in research or evaluation projects that show the value of the SUA, AAA, or tribal organization's work.

¹ <https://bmcmmedresmethodol.biomedcentral.com/articles/10.1186/s12874-019-0868-8>

While there is no specific dollar amount limit for an incentive, the amount must remain allocable and reasonable. Policies and procedures should be developed to ensure adherence to [45 CFR 75](#) and other applicable laws and regulations. A policy related to the maximum amount of an incentive should be included in the policies and procedures developed.

Furthermore, all incentive handling requires policies and procedures which may be very similar to policies that nutrition programs should have in place for money handling. A prudent program administrator would seek legal and/or financial counsel when developing incentive-handling policies and procedures.

Types of Incentives

There are many types of incentives, all with their own strengths and limitations. The following sections describe three types of incentives most commonly used by senior nutrition programs.

Gift cards and gift certificates

Definition: A card or electronic or paper certificate with a set cash value that can be exchanged for goods or services from a specific business. Examples include a \$5 gift card for a chain grocery store or a \$10 gift certificate for a local yoga studio.

Considerations: While gift cards are a popular incentive for many organizations, they can present a number of challenges in security and accounting. Gift cards are not recommended for senior nutrition programs when they are provided to older adults for the purpose of buying food or other meal items (e.g., liquid nutrition supplements). Instead of purchasing individual gift cards, senior nutrition programs should use funds to purchase groceries directly², distribute nutritious food boxes, or provide restaurant vouchers.

If a program decides to purchase gift cards, *extreme caution should be used*. Remember senior nutrition programs are meal programs. There are other federal programs to help seniors purchase groceries, and we do not want to duplicate their work.

In addition, such incentives are not and should not be portrayed as an endorsement by HHS or ACL of any company (or its goods, services, or policies) associated or affiliated with the incentive. For example, if an incentive is funded by grant funds, a general purpose pre-paid gift card (e.g., one issued by a credit card network brand) would more clearly separate the incentive from appearing to be an endorsement versus a card to be used only at a specific store or with a specific company. To the extent practicable given the proposed incentive, such non-endorsement should be clearly articulated.

Senior nutrition programs that decide to use gift cards should develop policies and procedures for their use including how they plan to:

- Determine quantity and frequency of gift card distribution.
- Identify and assess individuals who will receive gift cards.
- Track and document gift card use (i.e., was it used to purchase healthy food as intended, redemption rate).

² Food or groceries purchases are allowable if they align with program goals under the OAA, do not involve federal staff, and are ancillary to the program. Food purchases should not endorse or favor a specific product, brand, or producer.

- Ensure equitable distribution (e.g., avoid means testing, open to all eligible applicants, avoid favoritism).



Note: Cash in itself cannot be used as an incentive.

Vouchers

Definition: A payment mechanism (card, paper, or electronic notice) for a service. A voucher is a document that shows a service has been bought or rendered, and authorizes payment (discounted, free, and/or at no additional charge). Examples include a coupon for a 10% discount on any item purchased at a local farmers market or a meal voucher for a free meal at a participating restaurant.

Considerations: Previous voucher or voucher-like programs have been used by senior nutrition programs for many years. For example, programs frequently participate in distribution of [USDA Senior Farmers' Market Nutrition Program](#) vouchers, which allow low-income older adults to purchase fresh fruits, vegetables, and other items at their local farmers markets.

Restaurant meal vouchers that allow an individual to receive a meal at a local, participating restaurant have also been widely used. Allowing seniors to get a meal from a restaurant has been shown to improve menu choice, increase availability of congregate dining site opportunities, foster intergenerational settings, and increase program donations.

Senior nutrition programs that decide to use vouchers, including for restaurant meal voucher programs, should work with their State Unit on Aging (SUA) and/or Area Agencies on Aging (AAAs) to develop regulations, policies, procedures, guidance, and technical assistance. Meal voucher programs must meet all the requirements of the OAA including:

- Meals adhere to the DGAs and the DRIs, and have been reviewed by a dietitian or individual of comparable expertise.
- Meals are served to eligible participants.
- Participants are not charged for the meal and are provided the opportunity to make a voluntary and confidential contribution or donation.
- Participants receive the opportunity to participate in nutrition education.
- Participants receive the opportunity to participate in nutrition counseling where available.
- Data for the state program report is collected.

Gift items, giveaways, and prizes

Definition: A tangible item (sometimes also called a “tchotchke” or “swag”) that is given for free in order to motivate or encourage an individual to do something. Sometimes the item is given prior to the desired action being taken, such as a community event where free pens are offered to visitors regardless of whether they sign up for a nutrition class. Other times the item is given afterwards, such as providing a t-shirt to participants who complete all sessions of a physical fitness program. Examples include keychains, stress balls, water bottles, or other small items.

In some cases, the incentives are given to all participants (e.g., offering giveaways at an Expo event), and in other cases incentives may be done via a raffle or drawing.



Note: Raffles/drawings may not be allowable in some jurisdictions.

Considerations: Gift items, giveaways, and prizes may be used in limited circumstances to meet programmatic goals. For example, when offering [Bingocize](#)® to meal program participants, the program requires the awarding of small prizes as a part of the evidence-based curriculum. Similarly, nutrition education workshops may provide giveaways, such as measuring cups and nutrition books, that assist participants with cooking and meal preparation.

Food and meal purchases using formula or discretionary funds must align with and support the primary goals and activities of the program and serve the intended populations. For example, it has long been an acceptable practice for nutrition programs to offer meals to volunteers who assist with home delivered or congregate meals. Another permissible example: a nutrition program provides a nutrition education class on the benefits of antioxidant foods and supports the class theme by offering blueberry smoothies to participating seniors.



Note: *The senior nutrition program is for seniors and spouses (volunteers during meals, etc.), therefore meals and snacks using formula or discretionary grant monies need to benefit these eligible populations.*



Note: *There are clear and long-standing policies prohibiting using federal funds to procure food for meetings or trainings. This aligns with HHS policies: [HHS Policy on the Use of Appropriated Funds for Food](#).*

Key Implementation Question

OAA mandatory/formula and discretionary grantees who are considering the use of incentives, regardless of type, should take time to review and consider the following questions before implementing an incentive program.

- *What do you want to accomplish by using incentives?*
 - Determine how incentives will help you meet your program's goals, objectives and/or intents.
- *What type of incentive will you use?*
 - Find out what your participants are most likely to be motivated by. If you don't know, ask them.
 - Consider the cost of each incentive, including the cost of purchasing, distributing, and tracking.
- *How will you evaluate the use of incentives by your program?*
 - Establish metrics up front that will help you understand if your incentives are making a difference (e.g., improving participation, increased recognition of your programs and services, increased support of local restaurants).
- *How does the use of incentives meet the requirements of your OAA grant or other funding sources?*
 - Ensure that all costs of your incentive program meet Federal Cost Principles when purchased with OAA funds (i.e., costs are reasonable, allowable, and allocable). A policy on the maximum cost of an incentive should be included in your program's policies and procedures.

- Remember you must adhere to all Uniform Administrative Requirements, Cost Principles, and Audit Requirements for HHS Awards found at [45 CFR 75](#) and other applicable federal laws and regulations.
- ACL requires the SUA to report information related to the use of OAA funding in its annual programmatic reporting (e.g., State Program Report or SPR). Incentive programs may be mentioned in the reporting categories according to the programmatic guidance provided regarding expenditures. Financial reporting is also required as outlined in the grant's terms and conditions included in the Notice of Award.
- *It is important to note that state and local policies, procedures, and requirements may be more restrictive than OAA and other federal laws, regulations, and policies, and these state and local restrictions must be adhered to. Local senior nutrition programs should check with their SUA for more information.*
- *Will the use of incentives by your program be sustainable?*
 - Remember that grant expenditures should be developed with sustainability in mind, so make sure to plan for this wherever possible.
 - Consider partnering with businesses, explore the use of state or local funding, and look for other creative means to purchase incentives outside of OAA funds.

For more information on incentives, see ACL's guidance document on [Use of Older Americans Act Funding for Incentives](#).