



RESOLUTION 2026-04

A RESOLUTION OF THE ESCAMBIA CHILDREN'S TRUST AUTHORIZING THE EXECUTIVE DIRECTOR TO AMEND ESCAMBIA CHILDREN'S TRUST POLICY MANUAL PART TWO, FUNDING COMMUNITY ORGANIZATIONS, CREATING A SUBSECTION 1.6, REGARDING PARTICIPANT INCENTIVES POLICY.

WHEREAS, the ECT Board finds that the Escambia Children's Trust Policy Manual requires amendment from time to time to accurately reflect the policy of the Trust; and

WHEREAS, the proposed amendment to the policy manual serves a compelling public purpose.

NOW, THEREFORE, BE IT RESOLVED BY THE ESCAMBIA CHILDREN'S TRUST OF ESCAMBIA COUNTY, FLORIDA:

Section 1: Recitals. The foregoing recitals are true and correct and incorporated herein by reference.

Section 2. Amendment. Escambia Children's Trust Policy Manual Part Two, Funding Community Organizations, Section I, Policies Pertaining to Funding Community Organizations, is hereby amended to create a Subsection 1.6, Participant Incentives Policy, as follows (words underlined are additions and words ~~stricken~~ are deletions):

1.6 Participant Incentives Policy.

- a. Purpose. The purpose of this policy is to define when and how participant incentives may be used in ECT-funded programs. Incentives are allowable only when they are reasonable, necessary, and directly related to achieving approved program outcomes. This policy ensures consistent application across all providers, fiscal integrity, and compliance with applicable funding rules.
- b. Scope. This policy applies to all ECT-funded programs, contracts, subcontracts, and grants. It governs the use of Trust funds for incentives provided to program participants and beneficiaries.
- c. Definitions.

- i. **Participant Incentive:** Any item, or service of value given to a participant to encourage engagement, retention, or attainment of specific program outcomes.
 - ii. **Incentive Plan:** A written description provided by the funded organization outlining the purpose, method of distribution, eligibility, documentation, and cost of participant incentives.
- d. Policy Statement. ECT recognizes that limited incentives can support engagement and improve outcomes in child- and family-serving programs. Incentives are allowable **only** when:
 - i. Included in the approved program budget or specifically authorized through written ECT approval; and
 - ii. Directly tied to program outcomes and participation milestones; and
 - iii. Reasonable in amount, equitable in distribution, and fully documented.
- e. Allowable Incentives. Examples include:
 - i. Modest non-cash items (e.g., books, diapers, educational materials, or event tickets) related to the program's purpose.
- f. Prohibited Incentives. The following are **not allowable** unless ECT grants prior written exception:
 - i. Incentives not listed in the approved budget.
 - ii. Incentives that duplicate employee pay, create conflicts of interest, or appear as compensation for service provision.
 - iii. Cash or gift cards of any kind.
 - iv. Incentives disbursed prior to contract effective date.
- g. Approval and Amendment Process.
 - i. Incentives must be budgeted and described in the provider's **Incentive Plan** submitted with the proposal or through a **budget amendment**.
 - ii. Requests must include:
 - Purpose and justification,
 - Type and value of incentives,
 - Estimated number of recipients, and
 - Method for distribution and documentation
 - iii. All amendments must be approved by the Board of Directors of ECT as detailed in the Provider Budget Adjustments Policy.
- h. Documentation Requirements. Providers must maintain:
 - i. Participant sign-in sheets, logs, or acknowledgment forms.
 - ii. Receipts or proof of purchase.
 - iii. Distribution records matching budget quantities.
 - iv. Reports describing how incentives supported participant engagement or achievement.

Records are subject to ECT fiscal monitoring and audit.

- i. Limits. ECT may establish per-participant or aggregate caps for incentive spending, defined in each contract or guidance document. Caps are based on program type, duration, and intended outcomes.
- j. Tax and Legal Compliance. Providers are responsible for determining whether incentives create a tax liability for recipients and for complying with applicable IRS or state reporting requirements.
- k. Monitoring and Enforcement. ECT will review incentive use through fiscal and program monitoring. Misuse or undocumented incentives may result in disallowed costs, required reimbursement, and potential contract termination.
- l. Exceptions. ECT may approve limited exceptions for workforce stabilization, emergency response, or pilot programs, provided written justification and documentation are maintained.

Section 3. Severability. If any section, subsection, paragraph, sentence, clause, phrase, or portion of this Policy is for any reason found void, invalid, unlawful, or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct, independent, and severable provision such holding shall not affect the validity of the remaining portions of this Policy.

Section 4. Inclusion in the Policy Manual. It is the intention of the Escambia Children's Trust that the provisions of this Policy shall become and be made a part of the Escambia Children's Trust Policy Manual; and that the sections of this Policy may be renumbered or re-lettered in order to accomplish such intentions.

Section 5. Effective Date. This Policy shall become effective upon the date approval is granted by the Escambia Children's Trust.

DONE AND ENACTED this 10th day of February, 2026.

By: Rex L. Northup, MD
Dr. Rex Northup, Chairman

ATTEST:
By: Lindsey B. Cannon
Lindsey Cannon, Executive Director