

DSHS Community Compensation Guide

January 2024

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Purpose

People with direct lived experience receiving DSHS services are experts in their own care and lives. Historically, they have been disproportionately impacted by policies, programs, processes, and systems that drive the care and services that they receive. To the extent allowable based on available funding, the DSHS best practice is to offer compensation to eligible community members who agree to participate in activities that inform our policies and practices.

In 2021, the state legislature passed [Second Substitute Senate Bill \(2SSB\) 5793](#), paving an enterprise direction for a more comprehensive approach to community compensation. The state Office of Equity (OOE) was tasked with developing *Community Compensation Guidelines* to support implementation of 5793. These [guidelines are available for reference](#) on the OOE's website. We recommend any team undertaking community engagement work review these guidelines.

Some details are left to state agencies to address. A cross-administration DSHS work group will continue to work through details with an aim of implementing an agency-wide approach.

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Who is Eligible

- DSHS teams can offer compensation and expense reimbursement to community members contributing lived experiences and expertise to [Class One](#) state agency boards, commissions, councils, committees, workgroups, advisory groups, community partnership forums and similar groups (unless statutory restrictions apply).
 - Activities can be recurring (such as membership on an advisory group) or a one-time event

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or project activities (such as community forums, focus groups, interviews and such).

- The focus of this program is on valuing the contributions of community members who:
 - Have relevant direct lived experience, **and/or**
 - Have an income at 400% or less of the federal poverty level

Note: If a community member is eligible based on lived experience, they do not need to also meet income eligibility requirements, and vice versa.

- Academic, professional, or second-hand knowledge of the subject matter, while valuable, may **not** be considered “lived experience.”
- If your program was established by statute, review the statute to ensure there are no restrictions on compensation.
- No double payments – If a person is participating on behalf of their employer or another organization and is paid for their attendance at a DSHS meeting or event by any outside source, they cannot receive compensation from DSHS for participation.

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Other Critical Points

- Compensation is highly encouraged as a best practice of equity in community engagement, but is not required by law. Agencies can only offer compensation if funding is available. Programs must have budget identified **prior** to seeking compensation for community participants. The Office of Financial Management (OFM) has made a reimbursement fund available to state agencies in Fiscal Year 2024 as funds allow. The latest details are [available here](#) on the Community Compensation Teams channel in the Current Guides folder.
- Compensation is voluntary and can impact taxes and/or benefits. Community members can choose whether to accept this reimbursement for their time and expertise. Community members should understand the potential impact accepting compensation may have on their public benefits before deciding whether to accept. Details are available on the Office of Equity’s Community Compensation website. Provide this information to community members while recruiting for participation in a digital or printed format that makes the information easy to understand.
- Community members participating in these types of activities have relevant lived experience with the subject matter and are **not** considered registered volunteers as defined by the [DSHS Guidelines for Volunteers](#).
- Compensation stipends for time are statutorily limited to \$200 per day. There is no limit on total number of reimbursements or cumulative value of all reimbursements.

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- Recipients of community compensation should report income they have received to the IRS.
 - DSHS is only required to issue a 1099 to an individual if it distributes \$600 or more to the individual within a calendar year. A community member could receive more than one 1099 if earning above the threshold from more than one agency.
 - Reimbursement of expenses is not considered taxable income.
- To receive compensation, a community member must provide their name, address and SSN or tax ID number, or a W9, for internal DSHS payment systems to ensure reporting requirements are met.
- State agencies also have annual reporting requirements at the end of the fiscal year to the Office of Equity, which will submit an aggregate report to the Legislature. Please notify the DSHS Compensation Workgroup of any new or planned activities where community compensation is provided using [this form](#) and, where possible, ensure participants receiving community compensation fill out [this form](#) once per year.

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Compensation and Reimbursement Amounts

DSHS has aligned its rates with the [Office of Equity's recommendations](#).

Hourly Rates

The compensation rate should be \$45/hour for recurring activities and \$25/hour for one-time events, with maximum compensation per day of \$200.

Compensation Amounts Per Day / Ongoing Participation:

Up to and including one hour	= \$45.00
More than one hour and equal to two hours	= \$90.00
More than two hours and equal to three hours	= \$135.00
More than three hours and equal to four hours	= \$180.00
Anything over four hours	= \$200.00

Compensation Amounts Per Day / One-time Events and Activities:

\$25.00 an hour capped at maximum \$200.00 a day

Travel Reimbursements

Reimbursements can be made for lodging, meals, and mileage costs in addition to the compensation offered in accordance with [RCW 43.03.050](#) and [RCW 43.03.060](#). When overnight stays are needed, the agency should try to book and pay for the hotel rooms on behalf of workgroup members to lessen the financial burden. This should be done by a designated travel coordinator using a travel credit card. Community members need to provide receipts for all travel expenses to be reimbursed, including hotels.

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Per diem rates are updated annually in October. The most current rates are available on [Office of Financial Management's website](#). These rates are updated in accordance with the [US General Services Administration](#).

Child and Adult Care Reimbursement

Some community members take care of dependent children and adults, which may limit their ability to share their lived expertise with DSHS. If programmatic funds are available, we can give the following reimbursement for dependent costs participating individuals incur to attend an eligible DSHS event. Community members need to provide receipts for any care expenses they want reimbursed.

Childcare reimbursement is available up to \$25 per hour for the first child and up to \$50 per 24-hour cycle for each additional child.

Examples	Details	Maximum Reimbursement
1 Child, 4 hours of childcare	$\$25 \times 4 = \100	\$100
1 Child, 24 hours of childcare	$\$25 \times 24 = \600	\$600
2 Children, 4 hours of childcare	Child 1: $\$25 \times 4 = \100 Child 2: \$50	\$150
2 Children, 24 hours of childcare	Child 1: $\$25 \times 24 = \600 Child 2: \$50	\$650
3 Children, 4 hours of childcare	Child 1: $\$25 \times 4 = \100 Child 2: \$50 Child 3: \$50	\$200
3 Children, 24 hours of childcare	Child 1: $\$25 \times 24 = \600 Child 2: \$50 Child 3: \$50	\$700

Adult care: up to \$34 per hour for the first adult and up to \$50 per 24-hour cycle for each additional adult.

Examples	Details	Maximum Reimbursement
1 adult, 4 hours of care	$\$34 \times 4 = \136	\$136
1 adult, 24 hours of care	$\$34 \times 24 = \816	\$816
2 adults, 4 hours of care	Adult 1: $\$34 \times 4 = \136 Adult 2: \$50	\$186
2 adults, 24 hours of care	Adult 1: $\$34 \times 24 = \600 Adult 2: \$50	\$866

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DSHS Quarterly Tax Report Tracking

All payments made for community compensation whether via gift card or AFRS must be tracked and reported to the DSHS OAS (Office of Accounting Services) team, regardless of the amount issued, or the expected issuance of additional payments.

- Program managers and their Administration's Accounting team should agree on who will populate the [DSHS Community Compensation Payment Tracking Template](#) for their community engagement activities. The template is located on the Community Compensation Teams channel in the [Current Guides folder](#).
- Ensure that DSHS OAS has added the correct person to the list of users to access the Managed File Transfer (MFT) and be notified of upcoming due dates. Contact them through taxinfo@dshs.wa.gov.
- The designated submitter needs to store the Payment Tracking Template in a secure location as it has protected data contained in the template.
- On or before the due date, the designated submitter should send the completed Payment Tracking Template via Managed File Transfer (MFT) to the OAS team to process.
- If the due date is on the weekend or holiday, the due date will be the next business day following the due date. The submission schedule is:
 - 1st quarter, January 1-March 31, due to OAS team by April 5th
 - 2nd quarter, April 1-June 30, due to OAS team by July 5th
 - 3rd quarter, July 1-September 30, due to OAS team by October 5th
 - 4th quarter, October 1-December 31, due to OAS team by January 5th

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Payment Options

- The three options for payment using internal systems are (1) electronic bank deposits (distributed via the Agency Financial Reporting System, or AFRS), (2) paper checks (distributed via AFRS), or (3) prepaid Visa gift cards through a vendor such as Tremendous or Tango.
- The payment option you choose will depend on the type of community engagement you are doing. For groups that engage with the same individual community members regularly and groups where travel and care reimbursement are required, distributing payments via AFRS is highly recommended. For groups that engage with dozens or hundreds of community members for a short period of time and/or on an irregular basis, prepaid Visa gift cards may be a better compensation option.
- Updated policies and procedures to support community compensation efforts will be shared as soon as they become available. For example, Administrative Policy No. 19.40.30-Gift Cards is being reviewed to reflect the latest payment mechanism approaches. An updated policy is anticipated by early spring 2024.

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- Third party administrators are another option for compensating community members. These are community organizations that an agency contracts with to manage the community compensation process for a particular effort. More information will be added to this guide once it's available.

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Payment Steps: Compensation Via Prepaid Visa Gift Cards from a Vendor

DSHS Office of Accounting Services (OAS) wants to reinforce that retail gift cards, including Visa gift cards purchased at a retail store, **must not** be used. This is to meet required internal controls and tax reporting needs.

Some programs are establishing accounts with the gift card vendor [Tremendous](#). Others are using Tango or looking at other vendor options. DSHS OISVC researched various vendors during the summer of 2023. The research documentation can be [found in the Teams channel](#) (under Current Guides/Forms and Handouts). Some key points to know:

- Any distributor of prepaid debit cards must include the option to only give participants Visa, MasterCard or other non-retail gift cards.
- If there are fees involved with the card, the program must pay those fees and ensure the full intended value is available to the community member for use. Example: For a \$50 participation VISA with a \$3.95 activation fee, the program will need to fund the entire \$53.95 and ensure there is a \$50 balance on the card when released to the community member.
- Per OFM direction, fees are NOT reimbursable and must be covered by the administration.

For Tremendous, DSHS has one *parent* account managed by DSHS OAS. Administrations can work with DSHS OAS to set up one or more *child* accounts. Contact them at taxinfo@dshs.wa.gov to discuss account setup with Tremendous or with another vendor.

Use these steps for COMPENSATION through a prepaid Visa gift card vendor. While this is an option for ongoing activities, such as serving on a commission, the prepaid card works best for participation in one-time activities such as an interview or workshop:

1. Note: no retail gift cards are allowed.
2. Consult with your Accounting team first about their preferences or constraints in vendor options within your Administration.
3. Review the tips above regarding use of prepaid Visa gift cards.
4. Ensure Administration program budget is available. Consult with your leadership chain of command if needed.
5. From the Community Compensation Teams channel's [Current Guides](#) folder, retrieve:
 - i. The **DSHS procedure template** for prepaid gift cards.

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- ii. The **sample Community Member Compensation Handout** that you can adapt as needed to provide to recipients.
 - iii. The **FAQ for Tremendous-issued gift cards** that you can provide to recipients or use to answer their questions (if you will use Tremendous).
6. Adapt the gift card procedure for your program or project, assign required roles and secure approval from your Assistant Secretary and then the DSHS OAS (Office of Accounting Services) Chief (send to taxinfo@dshs.wa.gov).
7. Plan ahead if you need to order physical cards from the vendor to have on hand in time for your activity.
8. During participant recruitment, ensure eligible community members know that accepting compensation and/or expense reimbursement:
 - i. Is voluntary.
 - ii. May impact their benefits or taxes.
 - iii. Requires us to collect their contact information and social security number or tax ID.
9. Complete your activity and ensure you collect needed information in the [DSHS Class One Workgroup Compensation Request Form](#).
10. If cards weren't provided on the spot, follow through on sending prepaid Visa cards within the promised timeline.
11. Send the compensation forms to your Administration's accounting team, requesting payment.
 - i. Agree on whether the program manager or Accounting team will put the approved payment details in the [DSHS Community Compensation Payment Tracking Template](#) and submit to DSHS OAS by the quarterly deadlines. Based on this, ensure that DSHS OAS (Office of Accounting Services) has added the correct person to the list of users to access the Managed File Transfer (MFT). Contact them through taxinfo@dshs.wa.gov.
 - ii. Follow Accounting's further instructions.

Specifics about Tremendous—Future versions of the guide can include details about other vendors being supported by Administration Accounting teams, so please share any experiences with other vendors.

Prepaid Visa card options you can use with eligible participants are:

- Digital link sent to an email address after your event.
- Digital link sent to a mobile phone number after your event.
- Physical card (either provided on the spot or mailed to a recipient's address after your event).

Fees to know about—You will need to upload funds into your Tremendous team account that fully covers the following fees, when applicable:

- Tremendous charges a 3 percent credit card fee whenever an administration's Purchasing team completes a transaction to upload new funds to your team account.

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- Tremendous charges your team account \$2 per physical card ordered. This applies whether you mail a card directly to a recipient after the fact or order cards in bulk for delivery to you for use during your community engagement activity. This fee should not be incurred by community members receiving compensation.
- If you bulk order physical cards for delivery to you, there is an additional \$15 shipment fee.

Some examples:

Scenario	# of Cards Needed	Base Funds Needed	Purchasing Credit Card Fee	Physical Card Fees	Physical Card Bulk Shipping	Project Budget/Purchasing Total
On-the-spot client interviews	30, all physical to be offered during interviews due to known or expected preferences/needs of clients	\$750 (\$25 per card)	\$22.50	\$60	\$15	\$847.50
One-hour community focus groups	30, only digital to be offered	\$750 (\$25 per card)	\$22.50	0	0	\$772.50

Other Tremendous system points:

- Cards issued directly to a recipient expire six months after being issued. Cards bulk purchased by a program to hand out during an activity expire one year from the order date.
- Recipients under age 18 will be asked to have a parent or guardian to agree to the card terms. Details about an adult linked to the youth are not collected, however.
- Use the “create a campaign” function for your project in Tremendous to customize your messaging and limit recipients’ options to not include retail gift cards.
- There are important things for recipients to know so their use of the cards is smooth. Nicole Dronen in AL TSA created a [helpful tip sheet for recipients](#) that is available on the Teams channel.

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Payment Steps: Compensation Via AFRS

Accounting teams use the following SSO coding to identify community compensation costs in the financial statements.

NZ	Z460	Stipends- Lived Experience	Costs associated with stipends paid to individuals with lived experience so they can participate in public policy discussions, per SSB 5793 and SHB 1890 (2022).
NZ	Z461	Other Allowances – Lived Experience	Costs associated with other allowances(travel, child/adult care, etc. reimbursements) paid to individuals with lived experience so they can participate in public policy discussions, per SSB 5793 and SHB 1890 (2022).

Use these steps to provide **COMPENSATION** through direct deposit or check warrant:

1. Ensure Administration program budget is available. Don't know if you have the budget? Consult with your leadership chain of command as needed.
2. Designate a point person to facilitate the process with community members.
3. Ensure eligible community members know that accepting compensation and/or expense reimbursement is voluntary, may impact their taxes and/or benefits, and that they can choose whether to accept it.
4. Provide community members with the Office of Equity's information about the potential impacts to benefits .
5. Confirm that one of the three payment options will work for them (electronic bank deposit or paper check).
6. Ask community members if they already have a statewide vendor ID number. Program accounting staff can also lookup this information internally.
7. If they do not yet have a statewide vendor ID number, support community members in completing the vendor registration form.
 - [English version](#) [Version in 16 other languages](#)
 - Key points about vendor registration:
 - Plan at least a week in advance for this step, based on the typical turnaround of 3-5 days.
 - A community member will only need to complete this process once, even if they become involved in other lived experience community engagement activities.
 - There is a version that can be completed online, or a PDF that can be printed for completion by hand (please ensure people know that the printed copy must be signed by hand with a pen).
 - Community members will need a social security number or a tax ID number to

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- complete the registration.
- Instruct them to choose the Lived Experience – Class 1 box in question #3.
 - If they wish to be paid by electronic bank deposit, they will need to complete [Direct Deposit Authorization Form](#) as well. This also is available online or as a PDF that can be printed for handwritten completion.
8. Hold your event. Collect receipts for any requests for caregiving and travel reimbursement and have all participants fill out the [DSHS Class One Workgroup Compensation Request Form](#) (or fill it out on their behalf). If you have multiple meetings per month, community participants may submit one form combining information for all meetings. Compensate and reimburse them per your program’s plan and your administration’s procedures.
 9. Send the compensation forms to your Administration’s accounting team, requesting payment.
 - Agree on whether the program manager or Accounting team will put the approved payment details in the [DSHS Community Compensation Payment Tracking Template](#) and submit to DSHS OAS by the quarterly deadlines. Based on this, ensure that DSHS OAS (Office of Accounting Services) has added the correct person to the list of users to access the Managed File Transfer (MFT). Contact them through taxinfo@dshs.wa.gov.
 - Follow Accounting’s further instructions.
 - Program managers should take the lead on ensuring that the process is expedited through their administration’s accounting processing. Gain confirmation from all community participants that full payment and reimbursement have been made on the promised timeline.

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Payment Steps: Expense Reimbursement Via AFRS

Use these steps for EXPENSE REIMBURSEMENT, such as for caregiving, travel or per diem food expenses:

1. Ensure Administration program budget is available.
2. Designate a program point person to facilitate the process with community members.
3. Share expense reimbursement steps, timelines and dollar amounts/caps with participants.
4. Collect post-activity documentation from participants, including receipts and the [DSHS Class One Workgroup Compensation Request Form](#) (this can be completed by participants or by you on their behalf). Submit the form per your administration’s internal processes.
5. Check-in regularly with program accounting team to ensure timely reimbursements.

Key points for reimbursement:

- Prepaid Visa gift cards cannot be used for expense reimbursement. All travel and care reimbursements must go through AFRS.
- Community members must submit a bill or invoice received from the provider for child or adult care services or submit confirmation of payment. Be as flexible as possible with what constitutes a bill or invoice or confirmation of payment (e.g., traditional receipt, screenshot of money

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transfer through apps like CashApp and Venmo) to make it as easy as possible for community members to receive reimbursement. Wherever possible, support community participants to ensure receipts include the name of the community member, the service provider, the number of hours of care provided, the cost per hour of care, the total cost, and the date services were paid for.

- If a care provider wants to invoice the state directly for services rendered, a [vendor number](#) must be established and then a purchase order submitted to the agency for payment.
- While only compensation is tracked for tax reporting, reimbursement expenses are included in the totals tracked and reported to the Office of Equity. For this reason, it is recommended you keep a record of your program's reimbursement totals for each fiscal year

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Summary of Critical Program Forms and Handouts

You will find more details in the Payment Options and DSHS Quarterly Tax Report Tracking sections. But, at a glance:

- 1. Set up in advance to pay an eligible community member via electronic bank deposit or paper checks (warrants):**
 - [Vendor registration form](#) (English) and [version in 16 other languages](#)
 - [Direct Deposit Authorization Form](#) (for electronic bank deposits)
- 2. Use this template to create an approved procedure if your program will use prepaid gift cards.**
 - [DSHS Prepaid Visa Card Procedure](#)
- 3. Use for all lived experience community compensation payment activities:**
 - [DSHS Class One Workgroup Compensation Request Form](#)
- 4. Use these handouts in your work with eligible community members as needed:**
 - [Sample Community Member Compensation Handout](#)
 - [FAQ for Tremendous-issued gift cards](#)
- 5. Programs or Accounting - Use this tax reporting template for quarterly reporting requirements to DSHS OAS:**
 - [DSHS Community Compensation Payment Tracking Template](#)

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Conclusion

This DSHS Community Compensation Guide is a living document. It will be updated in a phased approach when needed and project resources allow. In the meantime, we can all learn from each other. Please use the [Community Compensation Current Guides Channel](#) to share feedback, stories and lessons learned. We also encourage you to post your comments, questions, stories and requests on the chat or the collaborative corner.

Project Core Team

- [Rebecca Rodni](#)
- [Jennifer Phillips](#)
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Key Contacts by Administration

AL TSA

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- [Nina Banken](#), Programs
- [Claire Knight](#), [PaKou Lee](#) and [Derrick Ross](#), PEAR Team

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