



Program Management Policy

TITLE: WIOA Youth Incentive and Stipend Policy

POLICY APPROVED BY:

Heather Ficht

ECWIB Executive Director

Charles "Chip" Massie

ECWIB Board Chair

Approval Date:

December 13, 2016

Effective Date:

July 1, 2016

Revision Date:

June 14, 2017, to include stipends as an allowable expense

PURPOSE:

Effective July 1, 2015, activeⁱ Workforce Innovation and Opportunity Act enrolled youth may be considered for reinforcement via stipends or incentive disbursements. This policy implements requirements governing the use of incentives and stipends, as part of a WIOA youth program service strategy.

POLICY:

Incentives:

Each Youth Provider, is limited to the total budgeted and approved amount for stipends and/or incentives per program year, as reflected in their contract. Total designations must be submitted by the provider to the ECWIB for approval, prior to use. Disbursements are limited to the actual incentives (e.g., gift cards) available at time of request. Incentives may not include entertainment, such as movie or sporting event tickets or gift cards to movie theaters or other venues whose sole purpose is entertainment.

Only one incentive per designation is intended. For example, youth can only receive incentive disbursement once for placement in employment or education or for attainment of a degree.

WIOA Youth Incentives are not intended as emergency assistance, but rather as a compliment to services provided and/or recognition of youth's personal attainment goals. Incentives are not retroactive and do not include wage or training subsidies.

Stipends:

A Stipend is a fixed small payment made to a WIOA participant during his/her enrollment to encourage the participant to engage in certain activities. The stipend can be used for activities such as classroom instruction, internships or apprenticeships. A stipend is a payment made to a participant for living or other expenses, and may not be based on wages for hours worked. Although the terms "stipend" and "salary" are often used interchangeably when providing a stipend, the U.S. Department of Labor has specific criteria that must be met



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to pay a stipend for a work-based learning activity. The work-based activity for which a participant receives a stipend must focus on training rather than employment. The placement must be predominantly for the benefit of the participant, not the employer. The participant cannot be entitled to a job at the end of training or displace regular employees. The trainee and the employer must both acknowledge that the participant isn't entitled to wages for time spent in the activity for which the stipend is issued. Because the stipend is not a wage, it is exempt from minimum wage requirements and social security withholding. However, a stipend is still considered taxable income and the participant should be prepared for the possibility that s/he may have to pay income taxes on the stipend. Participation in the activity must be documented as the basis of stipend payments.

Stipends may be awarded to those participants who are engaged in class room based and/or work based learning. As with incentives, the reason for the stipend, amount, dates issued and progress toward the goals related to the stipend must be documented such that an auditor would be able to determine who received the stipend and why. Examples of stipends include paying participants a set sum to support living expenses while in training or engaged in a work based activity, such as an internship.

PROCEDURES:

Provider policy governing the degree to which stipends and incentive shall be designated must be submitted to and approved by ECWIB program staff, in written form prior to use; to ensure that incentives are being awarded on a fair and appropriate basis.

Stipends and incentives must be necessary, reasonable, and allowable. Any use of stipends or incentives to participants must, at the very least, meet these criteria.

Every incentive or stipend awarded must have a clear connection to a specific participant goal as documented in their Individual Service Strategy. There must be clear goals and expectations set forth as to what the participant must do to earn an incentive award or stipend.

Program staff must coordinate with fiscal staff to ensure availability of stipend or incentive funds, prior to disbursement. Original forms and receipts are to be maintained by fiscal staff. Supporting comments must be entered into I-TRAC within 5 days of disbursement. This information must explain why the incentive or stipend was given, date, and value of the incentive or stipend. It is the responsibility of program staff to ensure that all case notes are up to date.

REFERENCES:

Workforce Innovation and Opportunity Act, Pub. L. 113-128
29 U.S.C. 3101 et seq
2 CFR 200

East Cascades Workforce Investment Board



East Cascades
WORKFORCE INVESTMENT BOARD

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PROCEDURES APPROVED BY:

A handwritten signature in black ink, appearing to read 'Heather Ficht', written over a horizontal line.

Heather Ficht

ECWIB Executive Director

Procedure Implementation Date:

July 1, 2016

ⁱ "Active Enrollment" is described as a participant in good standing- who is fully participating in necessary activities, has acceptable attendance, adequate follow-through, and has engaged in attaining WIOA Youth Common Measure outcomes.