

**DRAFT DIRECTIVE  
COVER PAGE**

**Stipends and Incentives Directive**

GENERAL INSTRUCTIONS

The attached directive is being issued in draft to allow the Workforce Development Community to review and comment prior to final issuance.

Submit any comments by email no later than **Thursday, September 19, 2024**

All comments received within the comment period will be considered before issuing the final directive. Commenters will not be responded to individually. Rather, a summary of comments will be released with the final directive.

**Comments received after the specified due date will not be considered.**

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**Email:**        [arodriguez@tularewib.org](mailto:arodriguez@tularewib.org)  
Include "Draft Directive Comment" in the email subject line.

**Mail:**        Workforce Investment Board of Tulare County  
Attn: **Anabel Rodriguez**  
309 W. Main St., Ste. 120  
Visalia, CA 93291

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If you have any questions, contact **Anabel Rodriguez** at 559-713-5200



# DIRECTIVE

Workforce Investment Board of Tulare County

Date: July XX,, 2024

## TUL 24-04 Stipends and Incentives Directive

### EXECUTIVE SUMMARY:

This policy provides guidance and establishes the procedures for providing stipends or incentives to eligible participants enrolled in the Workforce Innovation and Opportunity Act (WIOA) Title I Adult, or Dislocated Worker (DW), or Youth Programs or eligible customers in WIB-funded specialized programs implemented by the Workforce Investment Board (WIB) of Tulare County. This policy applies to WIB Subrecipients, WIB Eligible Training Providers, WIB Staff, and is effective immediately. Payments related to individuals and organizational engagement in human-centered design or system design are not subject to the guidance in this directive.

This directive applies to WIB-funded programs where incentives and stipends are an allowable cost under the funding stream. Should a particular funding stream have requirements differing from this directive, those requirements will be issued in a separate policy memo, or within the Subrecipient contract statement of work (SOW).

This directive contains some WIB/State-imposed requirements. ***WIB requirements are in bold, italics.***

This directive supersedes WIB Directive TUL 13-06. Retain this directive until further notice.

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### REFERENCES:

- [WIOA Public Law 113-128](#)
  - Title 2 Code of Federal Regulations (CFR) [Part 200](#), Grants and Agreements
  - Title 2 Code of Federal Part [200.438](#), Entertainment Cost
  - Title 20 CFR Part [681.640](#)
  - Title 20 CFR Part [683.200 \(b\)\(2\)](#), Allowable Cost and Cost Principles
  - Employment Development Department Workforce Services Directive (EDD WSD) [WSD CalJOBS Activity Codes](#)
  - EDD WSD [Stipends and Incentive Payments](#)
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## **BACKGROUND:**

WIOA law and final regulations allow the use of incentives and stipend payments for WIOA Youth Program. However, WIOA law and Final Regulations do not provide guidance for the provisions of stipends and incentives to adult and dislocated workers in WIOA funded programs. However, the Employment Development Department (EDD) has established a policy allowing the use of stipends and incentives for participants in WIOA and other state, **and local** funded programs.

Stipends and incentives to participants are strong motivators that help enable participation and lead to more successful outcomes for participants.

Stipends can alleviate financial stress by providing participants with the funds they need to be successful in the program. Stipends cover the costs associated with attending training, lost wages due to time spent in training, and ultimately ensure that participants do not drop out and return to lower-wage, lower-skilled occupations to meet immediate financial needs. Stipends cannot be used in lieu of wages.

Incentives, on the other hand, are provided as recognition for achievements and can help motivate participants to achieve successful outcomes that will lead to long term financial self-sufficiency. Incentives are considered awards and are used to encourage participants to complete training, remain in jobs, or for achievement in other program activities. Incentives may be given for a participant's achievement in training, education, work readiness skills, and/or an occupational skills attainment goal as identified in the Individual Service Strategy or Individual Employment Plan.

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## **POLICY AND PROCEDURES:**

### **Definitions**

Stipends – Fixed payments paid to program participants for participation in a training or other workforce activity that requires a substantial or regularly scheduled time commitment. Stipends are a form of financial support paid to a participant to help cover the costs associated with living expenses, travel, and/or materials needed to be successful in training or other workforce activities.

Incentives – Payments paid to program participants for recognition and achievement directly tied to work experience, education, training, employment, or other program activities.

### **Requirements**

***The WIB has established the local policy and procedures governing the award of stipends and incentives to participants in WIOA Adult, DW, Youth, and other WIOA programs and WIB funded specialized programs. The issuance of stipends and incentives must ensure that such payments are:***

- a. Tied to the goals of the specific program;***
- b. Are in accordance with the requirements contained in 2 CFR part 200.***

***Subrecipients must abide by the guidelines in this directive when providing stipends and incentives to help motivate participants to achieve successful outcomes that will lead to long-term financial self-sufficiency.***

### **Exclusions and Limitations**

***The following are exclusions and limitations when providing stipends and incentives to participants or customers. Deviation from this program outline is permitted if funding allows.***

- In accordance with the requirements contained in 2 CFR part 200, Federal funds must not be spent on entertainment costs. Stipends and incentives must not include entertainment, such as movie or sporting event tickets or gift cards to movie theaters or other venues whose sole purpose is entertainment. This applies to any Federal, State, and locally funded grants.
- Stipends and incentives cannot be paid in lieu of wages.
- ***The WIB has established a maximum lifetime cap limit of \$1,500 for a combination of stipends and incentives for participants.***
- ***The issuance of stipends must be detailed in an agreement or scope of work initiated by the WIB or the funding source. A clear stipend strategy is required, and all related budgets must be approved through the statement of work and budget process.***
- ***Incentives are only allowable for the goals, accomplishments, or program activities listed in Attachment A (Incentives Matrix). Other items not listed on the Incentive Matrix must be pre-approved by the WIB Deputy Director before issuance.***
  - ***Subrecipient staff must complete the Request Form (WIB-24-05) and submit it to the WIB Program Staff.***
- ***All stipends and incentives are subject to the availability of funds.***
- ***Incentives may be awarded in the form of cash, check, gift card, or other type of card considering the best option and preference of each participant.***

### **Stipend Requirements**

#### **Eligibility for Stipends**

***An individual must meet the following eligibility requirements before receiving a stipend payment:***

- ***Enrolled in one of the following: WIOA Adult, DW, Youth, or other applicable customers or WIB-funded specialized grant program.***
- ***Participate in training, education, or other workforce activity and have achieved satisfactory attendance.***
- ***Have a minimum attendance requirement of 80 percent of the training or education program.***

#### **Stipend Payment Process**

***If an agreement or scope of work does not require the individual to register in CalJOBS, the Subrecipient will follow the payment process identified in that specific agreement as applicable.***

**For individuals registered in CalJOBS the Subrecipient staff will complete the following steps below (numbers one through five).**

#### **File Documentation for Stipends**

- 1. Document the justification for the stipend need and how the stipend aligns with the participant's goals. The case note must record the reason for the stipend, the stipend amount, and the date the participant received the stipend.**
  - **Title the case note: "Stipend (Date)."**
- 2. Record the stipend in the participant's individual employment plan (IEP) or individual service strategy (ISS).**
- 3. Enter the appropriate CalJOBS activity code to record the stipend. Refer the Workforce Service Directives (WSD) [CalJOBS Activity Code Directive](#) for specific activity codes.**
- 4. Retain signed attendance sheets or achievements such as certificates, diplomas, or other verification of activity completion.**
- 5. Upload all relevant documents to the participant's CalJOBS file, labeling them as "Stipend."**

#### **Incentive Payment Requirements**

Incentives are payments paid to WIOA Adult, Dislocated Worker, Youth, **or other applicable customers or WIB-funded specialized grant** participants for recognition and achievement directly tied to **work readiness and essential workplace skills**, work experience, education, and training. Subrecipients must ensure that incentives are tied to the goals of the WIOA program and in accordance with the requirements contained in 2 CFR part 200. Incentives are permitted for Adult, DW, Youth, and other WIOA program, **and WIB-funded specialized workforce grants and customers** as recognition for achievements.

**Incentives are considered awards used to encourage participants to complete training, remain in jobs, complete the Talent Pool milestones, develop job readiness, build essential workplace skills, or other WIB-approved program activities. Attachment A (Incentives Matrix) includes the types of allowable incentive payments, and the amount for each incentive that can be provided under WIOA Adult, DW, Youth, WIB-funded specialized grant program.**

#### **Eligibility for Incentives**

**Individuals must meet the following eligibility requirements before receiving an incentive:**

- **Have enrolled in WIOA Adult, DW, Youth programs, or other WIB-Funded specialized grants.**
- **Have achieved an outcome as stated in Exhibit A (Incentive Matrix) or WIB-approved outcome.**
- **Achieved outcomes defined in their IEP or ISS if applicable to specific grant.**

#### **Subrecipient Responsibilities**

##### **File Documentation for Incentives**

**As applicable the participant file must have the following documentation when receiving any incentive:**

- 1. Document the type of incentive being provided and justify how it aligns with the WIOA Adult, DW, Youth, or applicable WIB-funded grant programs in a case note.**
- 2. Include documentation of the achievement qualifying for a specified incentive award in the participant case file as part of the ISS/IEP.**
- 3. Enter the appropriate CalJOBS activity code as outlined in the [CalJOBS Activity Code Directive](#).**
- 4. Upload a copy of the check request or gift card request, along with the signed receipt, to the participant's CalJOBS file.**
- 5. Obtain and retain supporting documentation of attainment before issuing an incentive award, such as copies of credentials, test scores, grades, employer evaluations, or attendance records.**

### **Subrecipient Incentive Payment Process**

**If an agreement or scope of work does not require the individual to register in CalJOBS, the Subrecipient will follow the payment process identified in that specific agreement as applicable.**

**For individuals registered in CalJOBS the Subrecipient staff will complete the following steps:**

- 1. Enter Incentive Information: Enter the details of the incentive, including the reason for the payment, related activities, and the ISS/IEP goals. This information helps track the purpose of the incentive and its alignment with the participant's goals.**
- 2. Enter CalJOBS Activity Code: Create an applicable CalJOBS Activity Code as outlined in the "File Documentation for Incentives" section.**
- 3. Create a CalJOBS Voucher: In CalJOBS, navigate to the section for creating vouchers. Input the necessary details, including participant information, payment amount, and reason for payment (which should match the information entered in the activity case note).**
- 4. Document Credential/Measurable Skill Gain (MSG) Attainment: Subrecipients staff will add the Credential/MSG in the credential section in CalJOBS (if applicable).**
  - a. Upload all prudent documents. These documents include but are not limited to a copy of the HSD or HSE, W-9, and, if applicable, receipts for the collected testing fees.**
- 5. Complete Supervisor's Review: Once all the required information is gathered and entered into CalJOBS, the Subrecipient's supervisor will review the request to ensure all steps have been completed. This step ensures that the payment aligns with program guidelines and funding requirements.**
- 6. Subrecipients must follow the organization's fiscal process when issuing the incentive.**
  - The Subrecipient policy must include internal controls to safeguard all incentives, including purchased incentives such as gift cards. These controls must also include a signature sheet to verify receipt of delivery.**
  - Incentives gift cards must be purchased and awarded within the same program year.**

**On occasion, when the WIB issues incentives, Subrecipient staff are required to complete steps 1-5 and 7-9.**

- 7. Complete WIB Payment Request Form 24-10 when a check request is required. Ensure that all required fields on the WIB Payment Request form are filled out accurately, including the current mailing address.**
- 8. Collect Participant's W-9 (if applicable): Obtain an electronic copy of the participant's W-9 form. This form is necessary if a check is being issued for reporting the incentive payment to tax authorities.**
- 9. Submit for Review and Approval: Once all the required information is gathered and entered into CalJOBS, submit the WIB Payment Request to the designated WIB Program staff assigned to Subrecipient's service delivery area for review and approval. This step ensures that the payment aligns with program guidelines and funding requirements.**

### **WIB Process**

**Once the payment request form has been received, WIB staff will complete the following steps (10-16):**

- 10. Review and Approve Voucher: Examine the voucher for accuracy and validity before approving it for payment.**
- 11. Add to Internal Incentive Log: Record the approved voucher in an internal incentive log tracks all incentive payments made by the WIB for enrolled participants.**
- 12. Send to [fiscalwib@tularewib.org](mailto:fiscalwib@tularewib.org) for Payment Processing: Forward the approved voucher to the designated email address responsible for handling WIB fiscal matters.**
- 13. WIB Fiscal Confirmation: The fiscal department verifies that the incentive payment request is complete, ensuring all required documentation and necessary approvals (two signatures) are included.**
- 14. Request Vendor code from Claims: Obtain a new vendor code from the auditor's department if needed to process the payment.**
- 15. Payment Processing in AFIN: Once the vendor code is received, the payment can be processed in AFIN (the accounting system). Fiscal will update both the Incentive log and CalJOBS with payment information.**
- 16. Payment Processing Time: Incentive payments can take up to 14 days to be processed.**

### **Specialized Grants**

**Incentives may be allowed in other non-WIOA funded grants and specialized grants. The type of incentives and the amounts provided to participants may be different; therefore, Subrecipients must follow any grant-specific requirements as stipulated in the grant's SOW.**

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### **ACTION:**

**Bring this Directive to the attention of all WIB Subrecipients and WIB staff.**

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**INQUIRIES:**

Please direct inquiries regarding this Directive to the WIB at (559) 713-5200.

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**ATTACHMENTS:**

- Attachment A (Incentives Matrix)
  - Attachment B (Purchase Request Form)
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The Workforce Investment Board of Tulare County is an equal opportunity employer/program. Auxiliary aids and services are available upon request to individuals with disabilities.

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## Incentives Matrix

*The table below includes the type of incentives that may be awarded for goals, accomplishments, or program activities. Subrecipient must upload in the participant's file one of the documents listed below under each incentive type.*

<b>Incentive Type</b>	<b>Amount</b>	<b>Adult &amp; DW</b>	<b>Youth</b>	<b>Specialize Grants</b>
<p><b>Attainment of a Secondary School Diploma or its Equivalent Incentives</b> may be awarded to participants who do not possess their high school diploma or equivalent at the time of enrollment and obtain it during program participation.</p> <p><b>Documentation:</b></p> <ul style="list-style-type: none"> <li>• Copy of diploma or equivalency.</li> <li>• Unofficial or an official school transcript.</li> <li>• School progress report signed by school staff.</li> </ul>	<p><b>Up to \$500 for the attainment of a secondary school diploma or equivalent</b></p>	<p><b>Yes</b></p> <p><b>\$100</b></p>	<p><b>Yes</b></p> <p><b>\$100</b></p>	<p><b>Yes</b></p> <p><b>Up to \$500 reference statement of work (SOW)</b></p>
<p><b>Good Academic Standing in Secondary Education</b></p> <p>Participants enrolled in a high school or GED program must achieve a grade of "C" or better in all their classes per semester.</p> <p><b>Documentation:</b></p> <ul style="list-style-type: none"> <li>• Official or unofficial transcript or report card.</li> </ul>	<p><b>\$50 per semester</b></p>	<p><b>No</b></p>	<p><b>Yes</b></p>	<p><b>if applicable reference SOW</b></p>
<p><b>Post-Secondary Credential or Certificate of Completion</b></p> <p>Attainment of a post-secondary credential or certificate of completion in a WIB Approved Industry Sector</p>	<p><b>Incentive award must be preapproved by the WIB Deputy Director.</b></p> <p><b>Incentive amount may be up to \$1,000 for attaining a post-secondary</b></p>	<p><b>No</b></p>	<p><b>Yes</b></p>	<p><b>Yes</b></p> <p><b>For amounts reference SOW</b></p>

<b>Incentive Type</b>	<b>Amount</b>	<b>Adult &amp; DW</b>	<b>Youth</b>	<b>Specialize Grants</b>
	<i>certificate of completion.</i>			
<p><b>Completion of 2 Employment Connection Talent Pool Milestones.</b></p> <p><b>Completion of at least two (2) Milestones, and completion of all four (4) Milestones.</b></p> <p><b>Talent Pool Milestones:</b></p> <ol style="list-style-type: none"> <li>1. <b>Understanding &amp; Building Your Skills</b></li> <li>2. <b>Explore Your Career Options</b></li> <li>3. <b>Overcome Personal Challenges</b></li> <li>4. <b>Find The Best Possible job</b></li> </ol>	<p><b>\$100 for the completion of 2 Milestones.</b></p> <p><b>\$200 for completion of all four Milestones.</b></p>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b> <b>Reference SOW</b>
<p><b>Work Readiness and Essential Workplace Skills</b></p> <p><b>Completion of work readiness workshops and essential workplace skills as described in special workforce grant's SOW</b></p>	<b>Up to \$200 for completing a work readiness workshop and/or essential workplace skills</b>	<b>No</b>	<b>No</b>	<b>Yes</b> <b>Reference SOW</b>
<p><b>Employment</b></p> <p><b>A progressive job retention incentive for a customer who has completed program activities and attained employment in the <u>individual's selected career/industry</u> as planned in the ISS or IEP.</b></p> <p><b>Documentation:</b></p> <p><b>Verification of employment and retention by the subrecipient is required for reimbursement.</b></p>	<b>\$50 for obtaining employment.</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b> <b>Reference SOW</b>
<b>2<sup>nd</sup> and 4<sup>th</sup> Quarter Retention</b>	<b>\$50 for 2<sup>nd</sup> Quarter.</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>

Attachment A

<i>Incentive Type</i>	<i>Amount</i>	<i>Adult &amp; DW</i>	<i>Youth</i>	<i>Specialize Grants</i>
<i>Participants retained employment during the 2nd and 4<sup>th</sup> quarter follow-up.</i>	<i>\$50 for 4<sup>th</sup> Quarter Retention</i>			<i>Reference SOW</i>

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### Payment Request Form

Submitted By \_\_\_\_\_ Date: \_\_\_\_\_  
Supervisor Approval \_\_\_\_\_ Date: \_\_\_\_\_

Date: \_\_\_\_\_

Participant Name: \_\_\_\_\_

Participant State ID#: \_\_\_\_\_

Participant Address: \_\_\_\_\_

STREET CITY State ZIP

PHONE: \_\_\_\_\_

Reason for Payment: \_\_\_\_\_ Documentation: \_\_\_\_\_

Amount \_\_\_\_\_

Program

Adult DW

Youth Specialized Grant \_\_\_\_\_

The Payment Request Form must be sent to WIB Staff along with all required documentation to WIB with a copy sent to [fiscalwib@tularewib.org](mailto:fiscalwib@tularewib.org)

WIB Admin- Approval: \_\_\_\_\_ Date: \_\_\_\_\_