



## INCENTIVE PAYMENTS TO WIOA TITLE I PARTICIPANTS

Workforce Innovation and Opportunity Act Policies and Procedures  
**POLICY #W419 Revision 1**

**Effective Date:** August 2022

### **1. Background**

There has been some confusion regarding the use of incentives and/or stipends for participants in WIOA Title I programs. The WIOA final rules and WIOA operating guidance state that guidance in this area is forthcoming. Therefore to provide needed clarification, the Employment Security Department (ESD) has issued a revision to [Policy #5621 \(Revision 4\)](#), to eliminate confusion and support comprehensive service delivery. The following SWC policy addresses state and local requirements for providing incentive payments to WIOA Title I participants. If and when additional federal and/or state guidance is issued, the Spokane Workforce Council (SWC) will review this policy and make revisions as appropriate.

### **2. Definitions**

- **Participant support costs:** Direct costs for items such as incentives, stipend or subsistence allowances, travel allowances, and registration fees paid to or on behalf of participants or trainees (but not employees) in connection with conferences or training projects that are allowable with the prior approval of the Federal awarding agency
- **WorkSource System Tools (WST):** A management information system (MIS) that workforce development organizations in Washington State use to collect data and manage themselves efficiently and effectively.

### **3. Policy**

Incentive payments to WIOA Title I youth participants are permitted for recognition and achievement of milestones directly tied to work experience, education, or training (see Attachment A). Such incentives for achievement could include improvements marked by acquisition of a credential or other successful outcome. Service providers must ensure that the incentive payments are:

- a. Awarded in recognition and achievement directly tied to training, education, or work experiences (see Attachment A,
- b. Aligned with the program elements identified in Attachment A,
- c. Tied to the goals of the WIOA Title I youth program,
- d. Outlined in a written, local policy prior to the start date of training programs or work experiences that might provide incentive payments,
- e. Aligned with other WIOA Title I youth program policies, and
- f. Provided in accordance with the requirements and cost principles in 2 CFR part 200.

Incentive payments must be in compliance with the Cost Principles in 2 CFR part 200 and as such incentive payments cannot be spent on entertainment costs, such as movie or sporting event tickets, gift cards to movie theaters, or other venues whose sole purpose is entertainment. Additionally, internal controls must be established to safeguard any cash or other forms of payments used to award incentive payments, such as gift cards or gift certificates.

The total amount of incentive payments to WIOA Title I youth participants in any single program year may not exceed the limits, if any, cited in the service provider's local policy. Exceptions to any limits cited in the service provider's policy are not permitted.

The allowance for and limits on incentive payments to WIOA title I youth in projects funded by WIOA Title I statewide activities discretionary funds will be outlined by the SWC in the contracts' special terms and conditions.

Incentive payments are not services, but, rather, financial transactions. Youth services providers must document incentive payments to youth by recording in case notes and participant files the youth program element and milestone

achieved, including attainment and retention of unsubsidized employment, along with the incentive amount paid for the achievement.

Incentive payments for WIOA Title I adults and dislocated workers are not permitted.

#### **4. Documentation and Data Entry Requirements**

- a. Full WIOA registration** – A Full WIOA Title I eligibility determination and enrollment into a WIOA Title I youth program is required to receive an incentive payment. Additionally, incentive payments may only be awarded for recognition of success in an educational program or work experience. Refer to SWC Policy 816 R3 – Eligibility Policy and Handbook, Attachment A – Eligibility Policy Handbook, for more information on documenting eligibility and enrollment for WIOA Title I youth programs.
- b. Justification** – Service providers must document the justification for each participant who receives an incentive payment. This justification must include:
  - i. The business case for the incentive payment's contribution to the participant's success, and
  - ii. How the incentive payment was calculated.
- c. Data entry requirements** – information regarding the incentive payment must be entered into WST as follows:
  - i. A case note documenting the justification to receive an incentive payment and details of the incentive provided must be entered into WST, and
  - ii. Expenditure records of incentive payments must be stored locally or uploaded into WST.

#### **5. Action Required**

Providers of WIOA Title I youth services must have policies and procedures in place that govern the award of incentive payments to WIOA Title I youth participants according to the requirements in this policy.

#### **6. References**

- TEGL 21-16, Section 5
- Federal Register – 20 CFR 681.640
- Federal Register – 20 CFR Part 200
- [ESD WIOA Title I Policy #5621 Revision 4](#)

#### **7. Supersedes**

SWC Policy #W419

#### **8. Attachments**

- Attachment A

Revision History:  
WS419 – May 2018

## Attachment A

### Youth Program Elements for which incentive payments are or are not allowed

No.	Program Element	Allowable
1	Tutoring, study skills training, instruction, and dropout prevention	Yes
2	Alternative secondary school services or dropout recovery services	Yes
3	Paid and unpaid work experience	Yes
4	Occupational skills training	Yes
5	Education offered concurrently with workforce preparation and training for a specific occupation	Yes
6	Leadership development opportunities	No
7	Supportive services	No
8	Adult mentoring	No
9	Follow-up services	No
10	Comprehensive guidance and counseling	No
11	Financial literacy education	Yes
12	Entrepreneurial skills training	Yes
13	Services that provide labor market information	No
14	Post-secondary preparation and transition activities	Yes

Note: Per Section 3.a.v. of this policy, youth incentive payments are also allowed for attainment of unsubsidized employment and/or employment retention resulting from participation in one or more program elements for which incentive payments qualify.