



1. Background

This policy provides specific guidelines for providing incentive payments using WIOA title I funds in accordance with Employment Security Department (ESD) policy 5621 R5 and funds from other sources that authorize incentive payments.

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.
- **Service provider** – A provider of workforce development services in Spokane County, such as the local one-stop center or other entity designated by the Spokane Workforce Council (SWC), that is responsible for determinations of program eligibility, documentation, self-attestation guidelines, and other eligibility and documentation requirements as defined by the SWC ([2 Code of Federal Regulations \(CFR\) 200.331](#)).
- **WorkSource System Tools (WST)** – Washington State’s management information system for DOL programs. WST is comprised of two interconnected systems, Efforts to Outcomes (ETO) for staff and WorkSourceWA.com for job seekers and employers (WSWA).

3. Policy

- Incentive payments using WIOA youth funding** – Incentive payments to WIOA title I youth participants with WIOA funds are permitted for recognition and achievement of milestones directly tied to work experience, education, or training (see Attachment A). This includes youth engaged in youth program elements funded by title I statewide activities funds. 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:
 - Awarded for recognition or achievement directly tied to a program element for which incentive payments are allowed. This includes attainment of unsubsidized employment and/or employment retention resulting from participating in one or more program elements for which incentive payments are allowed (see Attachment A);
 - Tied to the goals of the WIOA title I youth program;
 - Outlined by the service provider in a written, local policy prior to the start date of program elements that may qualify for incentive payments;
 - Aligned with other SWC title I program policies; and
 - Provided in accordance with the requirements and cost principles in 2 CFR part 200.
- Incentive payments using WIOA adult or dislocated worker funding** – Incentive payments using WIOA title I adult or dislocated worker funding is not permitted.
- Incentive payments using non-WIOA funding** – Incentive payments authorized under a non-WIOA title I fund source are permitted for recognition and achievement of milestones directly tied to activities that allow incentives as identified by the contract (see Attachment B). Service providers must ensure that incentive payments are:
 - Awarded for recognition and achievement directly tied to an activity for which incentive payments are allowed under the contract. This includes attainment of unsubsidized employment and/or employment retention resulting from participating in one or more activities for which incentive payments are allowed (see Attachment B);

- ii. Tied to the goals of the contract;
 - iii. Outlined by the service provider in a written, local policy prior to the start date of activities that may qualify for incentive payments;
 - iv. Aligned with other SWC title I program policies; and
 - v. Provided in accordance with the requirements and cost principles in 2 CFR part 200.
- d. Cost principles** – Incentive payments must be provided in accordance with the cost principles in 2 CFR part 200, including but not limited to:
- i. 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.
 - ii. 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.
 - iii. The total amount of incentive payments to a participant 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.
 - iv. The allowance for and limits on incentive payments in projects funded by WIOA title I statewide activities discretionary funds will be outlined by the SWC in the contracts’ special terms and conditions.
- e. Stipends** – The term “stipend” is mentioned in the WIOA regulations; however, it is neither defined nor cited in any actual title I regulation. Due to this, service providers may not use the term “stipend” with respect to incentive payments to avoid unnecessary confusion and potential improper payment.

4. Documentation and Data Entry Requirements

- a. WorkSource registration and enrollment** – All new and returning job seekers seeking a service, activity, or program element that qualifies for an incentive payment must have a completed and validated WorkSource registration as defined in SWC policy WS800 R1 – Front-End Services. Additionally, a job seeker must be determined eligible for and enrolled in a program that is authorized to provide incentive payments prior to receiving any incentive payments.
- b. Data entry requirements** – information regarding the incentive payment must be entered into ETO as follows:
 - i. The program element the incentive payment is being awarded for must be entered into ETO and must have a service end date on or prior to the issuance of the incentive payment.
 - ii. A case note must be entered documenting the justification to receive an incentive payment, how the incentive payment was calculated, and details of the incentive provided, and
 - iii. Expenditure records of incentive payments must be stored locally or uploaded into ETO.

5. Action Required

Service providers of WIOA title I youth services and service providers of other SWC-funded programs providing incentive payments must have policies and procedures in place that govern the award of incentive payments according to the requirements of this policy.

6. References

- [ESD WIOA Title I Policy 5621 R5 - Incentive Payments to WIOA Title I Participants](#)
- [2 CFR 200.331 – Subrecipient and Contractor Determinations](#)

7. Supersedes

SWC Policy #W419 R1

8. Attachments

- Attachment A – Youth Program Elements for Which Incentive Payments are Allowed
- Attachment B – Non-WIOA Activities for Which Incentive Payments are Allowed

Revision History:
WS419 R1 – Aug 2022
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.