



**AB # 24-03**

**Supersedes AB 19-03 Youth Incentive Payment Policy  
Effective: IMMEDIATELY UPON RELEASE**

**ACTION BULLETIN**

**TO:** All Contracted Service Providers under Title I of the Workforce Innovation and Opportunity Act (WIOA) and other Federal, State, Local, or Privately Funded Grant Programs Implemented through the Alameda County Workforce Development Board (ACWDB)

**DATE:** 11/14/2024

**SUBJECT:** **Incentive and Stipend Payment Policy**

**PURPOSE:**

The purpose of this ACWDB Action Bulletin (AB) is to provide comprehensive guidance for the provision of incentive and stipend payments to workforce program participants enrolled in programs funded through the ACWDB.

**CITATIONS:**

- WIOA Act Public Law 113-128 – July 22, 2014
- WIOA Regulations of 20 Code of Federal Regulations (CFR) part 681
- 2 CFR part 200 of the Office of Management and Budget (OMB) Uniform Guidance – Cost Principles
- TEGl 21-16: Third WIOA Title I Youth Formula Program Guidance
- Workforce Services Directive (WSD) 23-08, Issued 5/23/2024 – Stipends and Incentive Payments

**DEFINITIONS:**

***Incentive Payments*** are payments to a participant provided as recognition for achievements of expected program and performance outcomes as agreed upon, in writing, by the participant and the Career Advisor and outlined in the Individual Services Strategy (ISS) or the Individual Employment Plan (IEP). The achievements may be linked to training, educational activities, credential attainment, work experience activities, obtaining or maintaining employment, or other achievements related to workforce program participation – and helps to increase the likelihood of future success in achieving self-sufficiency.

***Stipends*** help to alleviate financial stress by providing funds needed for a participant to be successful in the program. Stipends may cover some costs associated with attending training, but should not be provided in lieu of allowable supportive service payments as outlined in [AB 22-03](#)

[WIOA Supportive Service Policy](#). Per State Directive, WSD 23-08, stipends should NOT be paid in lieu of wages. For youth participant cases where wages are the most appropriate form of payment to the participant, wages must be paid in accordance with existing work-based learning and other policies. If questions arise regarding whether a wage or a stipend would be the most appropriate form of payment, please contact the Youth Program Liaison prior to engaging in issuance of either type of payment.

## **BACKGROUND:**

WIOA law and final regulations are silent on the provision of stipends and incentive payments to adult and dislocated worker populations in WIOA-funded programs, while some state-funded grants explicitly allow the use of stipends. This policy establishes the allowability of stipends and incentive payments to participants in WIOA and state-funded grants and programs – and is in alignment with EDD’s WSD 23-08 – Stipends and Incentive Payments, issued on May 23, 2024.

At its May 9, 2019 meeting, the ACWDB approved the implementation of the Youth Incentive Payment Policy as referenced in AB 19-03, which is the predecessor to this AB. Subsequently, at the September 12, 2024 ACWDB meeting, board members approved the expansion of the Youth Incentive Payment Policy to include stipend payments and to allow both payment types for Adults and Dislocated Workers in addition to Youth. This AB will supersede AB 19-03 effective immediately upon release of this bulletin.

Local Areas must have written policies and procedures in place governing the award of incentives and stipend payments. These written policies must be in accordance with the requirements contained in 2 CFR part 200.438. In the event that grant-specific requirements do not align with policies as outlined in this bulletin, policies and regulations for the provision of incentive or stipend payments must fall to the requirements as outlined within those specific grant programs.

Incentive and stipend payments may be awarded in the form of cash, check, gift card, electronic payment, app-based payments, or other type of card – as long as instruments issued are not associated with non-allowable costs under WIOA or other grant funds (i.e., WIOA funds may not be used for costs directly associated with entertainment or provision of food, like a movie theater or grocery store gift card).

## **POLICY:**

1. Actively enrolled WIOA participants, and participants in other federal, state, local, or privately funded workforce programs are eligible for incentive and stipend payments in alignment with this bulletin unless there are grant-specific requirements that apply to participants within those particular grant programs.
2. Service providers must include a description of incentive and/or stipend payments in their program design and budget.

3. An individual participant may receive either incentive payments or stipend payments during a single participation cycle – not both.
4. Service providing organizations are responsible for informing participants of potential tax implications involved with the acceptance of the incentive or stipend payment. Additionally, these organizations must inform participants that there could be an impact to public benefits that are affected by earned or unearned income. Organizations should refer participants to a certified benefit professional (i.e., Disability Benefits Planner) for their benefit-related questions.
5. No more than \$1,000 may be allotted for an incentive or stipend payment for any one participant. Exceptions to this maximum allotment require prior approval of the assigned ACWDB Program Liaison or higher-level staff at the ACWDB.
6. If an incentive is being provided, service providers are strongly encouraged to tie incentives across the course of timespan of the program to facilitate milestone-based incentive payments instead of one lump sum of funding.
7. Participants may be eligible for incentive or stipend payments, up to the established cap, once per participation cycle. If a participant exits and re-enrolls into ACWDB funded programs, they may be eligible for additional opportunities to receive incentive or stipend payments, but those payments may NOT be awarded for the same or similar achievements as those that prompted payment during the prior participation cycle.
8. Incentive or stipend payments must be documented by using:
  - A. Goals and/or Objectives within the Individual Services Strategy (ISS) or the Individual Employment Plan (IEP) which must be signed by the participant and the Career Advisor/Coach and dated prior to the commencement of incentive or stipend payment activities. For discretionary programs that either do not require IEP development or use the CalJOBS system, then appropriate alternative methods (like case notes) may be used.
  - B. Case notes – that contain detailed descriptions regarding the type of payment, the reason for the payment, the conditions of the payment as agreed upon by the participant and their Career Advisor/Coach, the method of the payment, the achievement of goals, the methods used to determine the amount of the incentive or stipend; justification to support the dollar amount provided; and the contribution the payment makes to the participant’s success.
  - C. A signed agreement outlining the conditions under which the incentive or stipend payments will be issued. This agreement should be signed by both the participant and the Career Advisor/Coach.
  - D. Use of appropriate enrollment activity codes or tracking of participant services.
    - a. For WIOA Adult and Dislocated Worker Programs
      - i. Activity Code 183 for Incentives
      - ii. Activity Code 197 for Stipends
    - b. For WIOA Youth Programs
      - i. Activity Code 419 for Incentives
      - ii. Activity Code 494 for Stipends

- E. Copies of credentials or certificates attained
- F. Copies of the payment issuance document (check, gift card, etc.) that include the participant signature as confirmation that they received the payment. (See attachment to this bulletin).
- G. A statement from the participant acknowledging that the service provider provided information about potential tax implications involved with acceptance of an incentive or stipend payment.

Requirements for the use of stipend payments:

Stipends must enable individuals to participate in activities that contribute to achieving their goals and must be in alignment with performance goals as set forth for the specific grant program. Stipends cannot be paid in lieu of wages.

To be eligible for stipends, participants must:

1. Be actively enrolled in program services
2. Be determined in need of the stipend to help support financial responsibilities of the participant while they are receiving training or career services toward gaining employment and working toward self-sufficiency
3. Not be eligible for stipends covered under other grant programs whether it be from a public or private organization. (WIOA has a “funding of last resort” mandate)
4. Not be receiving incentive payments as prescribed under this AB

Requirements for the use of incentive payments:

Incentive payments must be for recognition and achievement directly tied to work experience, education, training, employment, or other program activities, and cannot be paid in lieu of wages. Service providers may establish a sequence of milestones and tie corresponding incentive payments to be distributed as a result of achieving those milestones (i.e., four milestones at \$250 per milestone will equal \$1,000. Sequencing the milestones may assist with building participant motivation.

To be eligible for incentive payments, participants must:

1. Be actively enrolled in program services
2. Not be receiving stipend payments as prescribed under this AB
3. Achieve completion of specified program services as identified below:
  - a. Attainment of high school diploma, GED/HSET, or other educational achievement/certification
  - b. Passing a GED component  
Note: The incentive payment may be structured so that that participant may receive a portion of the payment for each completed GED component as long as the total paid to any individual participant does not exceed the established cap.
  - c. Attainment of an industry-recognized credential or an employer-required certification leading to employment
  - d. Completion of CASAS post-test (Youth only)

- e. Successful completion of a training component or course related to the participant's desired career path
- f. Enrollment into post-secondary education (Youth only)
- g. Completion of:
  - i. a resume, job application, LinkedIn profile
  - ii. an informational interview, job shadow activity
  - iii. an aptitude and/or career interest assessment
  - iv. the following certifications: First Aid/CPR, OSHA 10, Food Handlers
  - v. or any combination of the aforementioned items

**ACTION:**

- This ACWDB Action Bulletin becomes effective immediately upon release.
- All sub-contracted service providers shall comply with these requirements unless funded through discretionary grants that carry other grant-specific requirements related to the provision of incentives or stipend payments to participants.
- All relevant staff shall be immediately informed of this bulletin and all requirements contained therein.

*Any discrepancies arising between this policy/procedure and federal or state provisions (due to future revisions) will default to the current minimum federal and state regulations and guidance available. This bulletin represents the most current information available at the time it was published. As policies or regulations are updated, the most current versions of bulletins will appear on our website at [www.acwdb.org](http://www.acwdb.org).*

**INFORMATION & INQUIRIES:**

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**ATTACHMENT:**

Attachment 1: Incentive/Stipend Payment Tracking/Confirmation Sheet



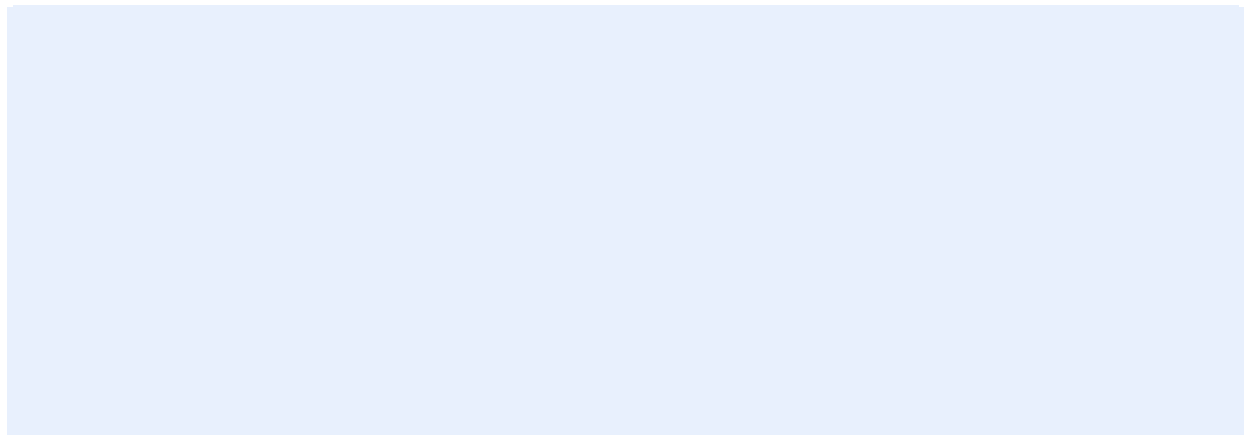
ALAMEDA COUNTY WORKFORCE DEVELOPMENT BOARD

**INCENTIVE/STIPEND PAYMENT  
TRACKING/CONFIRMATION SHEET**

<i>Participant Name:</i>		<i>State ID:</i>
<i>Program Name:</i>	<i>Funding Stream</i>	<i>Career Coach:</i>

**INCENTIVE/STIPEND PAYMENT DETAILS:**

<i>Type:</i> <input type="checkbox"/> Incentive <input type="checkbox"/> Stipend	<i>Issued Through:</i> <input type="checkbox"/> Check <input type="checkbox"/> Gift Card <input type="checkbox"/> Other (describe): _____
<i>CalJOBS Activity Code:</i>	<i>Date Issued:</i> _____ <i>Amount:</i> _____



*Participant's signature below acknowledges receipt of the incentive/stipend payment as described above:*

\_\_\_\_\_ Signature                                  \_\_\_\_\_ Printed Name                                  \_\_\_\_\_ Date

Career Service Provider (CSP) Representative signature below acknowledges that information provided above is accurate and that the appropriate enrollment activity code(s) has/have been entered into the CalJOBS<sup>SM</sup> system.

\_\_\_\_\_ Signature                                  \_\_\_\_\_ Printed Name                                  \_\_\_\_\_ Date