



## Incentive Awards Payments to WIOA Youth Participants

C-740

### Purpose.

The Workforce Innovation and Opportunity Act (WIOA) Final Rule 20 CFR 681.640 allows for the awarding of incentives payments for recognition and achievement directly tied to training activities and work experiences. Incentives are allowable to youth enrolled into the WIOA Title I Youth program. They are intended to encourage and motivate WIOA youth to reach specific goals and obtain positive outcomes. WIOA regulations do not specifically provide for incentives for adult and dislocated worker participants. Reasonable incentives are allowable only if the local workforce board has written policies and procedures governing incentive payments, and the provision an incentive is included is in the participant's individual service strategy. This document provides the policy of the Southwest Wisconsin Workforce Development Board (SWWDB) for granting incentive award payments to youth enrolled in the Title I Workforce Innovation and Opportunity Act (WIOA) youth program.

### Policy.

It is the policy of the Southwest Wisconsin Workforce Development Board (SWWDB) to offer reasonable incentives to youth participants to encourage the youth to participate in and complete WIOA Title I education, training activities and work experiences. The justification for awarding incentives must be clearly defined in the youth's individual service strategy (ISS). Incentive award payments shall be made in a uniform and consistent manner that ensures all participants receive equal rewards for equal achievement.

For the purposes of this policy, the term "incentive" shall mean an inducement or reward intended to motivate achievement. The incentive must be directly linked to attainment of specific and measurable program outcome.

Any incentive shall be limited to WIOA youth programs. WIOA adult and dislocated workers clients are not eligible for incentives. All incentive award payments are subject to the availability of WIOA funds and are not an entitlement. SWWDB may suspend or withdraw authorization for incentive award payments at any time and at the sole discretion of SWWDB.

Youth incentive award payments are limited to a lifetime amount of \$500 maximum per eligible youth.

Goals and/or training outcomes eligible for an incentive must be linked to an achievement related to training, employment, work readiness skills, occupational skills, and/or basic skills attainment goals as stated in the clients' ISS and documented in accordance with applicable WIOA regulations. Participants cannot receive multiple incentive payments for the same activity. Achievements eligible for an incentive awards include:

- Attain high school diploma or its recognized equivalent;
- Graduate from an alternative school;
- Complete a GED/HSED test;
- Career pathway exploration activities when tied directly to a job shadow or work experience;
- Complete basic, work readiness, occupational skill attainment goals when tied directly to a work experience;
- Complete TABE post-test (attainment of measureable skill level gain for WIOA performance indicator);



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- Obtain unsubsidized employment;
- Attain a post-secondary credential (occupational certificate, diploma or degree.)

A participant may be eligible for an incentive award when involved in an unpaid work experience. Documentation of attendance may be accomplished by timesheets signed by the participant and the supervisor/instructor or case manager.

Incentives are available to each WIOA eligible youth participant based on need documented in the participant's ISS. WIOA Title I service providers shall maintain required documentation detailing the distribution and management of awards. All incentives are taxable at the full amount of the award and subject to withholding in accordance with Internal Revenue Service (IRS) regulations.

SWWDB shall require all WIOA service providers and grantees receiving funds from a grant or contract administered by SWWDB to comply with this policy and applicable procedures. At a minimum, service providers shall document the need for the incentive and justify issuance of the award in the participant's ISS and in the ASSET system. Service providers will also maintain records verifying the client received the award through an original signature on a receipt form. If the form is an electronic version, the case manager shall attach the approval email to the form to show the authenticity of the approved request. It is the responsibility of each service provider to become aware of all applicable regulations and to monitor personnel and client activities to ensure compliance. SWWDB shall review grantee compliance with this policy during the annual monitoring process.

The Chief Executive Officer (CEO) shall ensure that procedures and systems are established and maintained to document payment of incentive awards. The Finance Manager and the Workforce Operations Manager, under the direction of and in consultation with the CEO, shall be operationally responsible for the documentation, accountability and management of incentives in accordance with federal and state WIOA rules/guidelines and IRS regulations.

Reference: Workforce Innovation and Opportunity Act of 2014, Final Rule, 20 CFR 681.640;  
 Uniform Guidance, 2 CFR Parts 200 and 2900;  
 Department of Workforce Development, Division of Employment and Training WIOA Policy Update 16-01: Youth Incentive Awards Payment Policy dated August 8, 2016; and  
 SWWDB Policy C-730 – Gifts and Awards to Board Members, Staff, Providers and WIOA Participants

Policy Adopted: **June 12, 2013**

Policy Revised: **March 8, 2017, March 14, 2018**