

**Comprehensive Case Management and Employment Program (“CCMEP”)
Incentive and Stipend Policy
for the WIOA Funding Stream
Northeast Ohio Consortium Council of Governments
Workforce Innovation and Opportunity Act**

POLICY B-05

I. Purpose.

This policy governs the general terms and conditions associated with the provision of WIOA CCMEP incentives and stipends. In addition to this policy, the Workforce Area, in procuring and contracting with its CCMEP providers, may establish additional terms and conditions in provided for within their written agreements with those providers that govern the provision of specific incentives and/or stipends. The terms and conditions of those written agreements shall apply as if written as part of this policy, so long as they are consistent with and not contradictory towards all applicable federal and state laws, regulations, and guidance, and this policy.

In adopting this policy, the Workforce Development Board for Area 19 encourages each of the county CCMEP lead agencies to adopt this policy or one that is substantially similar, that governs the terms and conditions of the provision of incentives and/or stipends using TANF CCMEP funding streams.

II. Effective Date.

July 1, 2015. Revised effective July 1, 2018.

III. Background.

Under the Workforce Innovation and Opportunity Act, the payment of incentives and stipends is an allowable service that may be provided to Youth as part of WIOA Youth program.

IV. Requirements.

A. General Requirements.

The CCMEP provider may provide the CCMEP WIOA enrolled youth, incentives and/or a stipend pursuant to the terms and conditions set forth within this policy and within their Subgrant Agreement with the Area Workforce. The Area Workforce requires that the youth program provider consult with other public assistance case managers where applicable to ensure that the receipt of

incentives or stipends do not negatively impact the youth participant's receipt of public assistance.

Stipends and/or incentives are permitted pursuant to Area Workforce policy when the following terms and conditions are satisfied:

1. The cost of the incentive program has been written into the Youth Provider's budget and therefore is allowed pursuant to its Subgrant Agreement with the Area Workforce.
2. The incentives are reasonable and necessary.
3. The incentives or stipend must equate to an achievement, tied to reaching a measurable point as part of training and education, a work readiness skill attainment, and/or an occupation skill attainment goal identified in the IOP.

a. Stipends.

WIOA, Title I is silent on using the term "stipend." Stipends involve payment via check. Reasonable stipends are allowable expenditures for unpaid work experience for youth when the provision of stipend is included in the participant's IOP. A youth may receive a stipend for an entire day if at least fifty-one percent (51%) percent of the youth's time is spent in unpaid work experience. For example, if a youth spends five hours per day in unpaid work experience and three hours in GED, the participant may receive a stipend for the day.

Stipends are not considered income for WIOA eligibility purposes, are not required to meet minimum wage requirements, are not to be dispersed as payroll, and income tax is not to be withheld.

Usage of TANF funding for stipends for CCMEP participants is absolutely prohibited.

b. Incentives.

Any incentive must equate to an achievement, and must be tied to training and education, a work readiness skill attainment and/or an occupation skill attainment goal identified in the IOP.

Incentives for youth may include plaques, certificates, gift certificates or gift cards, recognition ceremonies for participants, caps and gowns, class pictures, class rings, school supplies and/or calculators, and/or payment by check. If the incentive constitutes the provision of a pre-paid debit or credit card, the

card must be issued by a bona-fide banking institution or a merchant with a physical store within Area 19.

All cards issued with TANF funds must be of such a nature, that if the funds go unspent by the participant after a recognized period of time, that the funds can be reclaimed by the provider. In addition, all debit or credit cards issued, must be subjected to a reconciliation process that occurs no less often than annually, in which an accounting of all cards issued, those spent and unspent are accounted for, and those which have gone unspent have the funds reclaimed. One-time activation fees associated with the use of these cards are an allowable expense.

All cards issued with WIOA funds do not have to have to follow the reconciliation and reclaim process identified above, unless the workforce area or the lead agency requires the same via policy or contract.

B. Specific Incentives Recognized and Allowed.

An incentive is an allowable way to encourage behavior for participation and/or otherwise to promote successful results in youth programming. Recognized incentives within the Area, as allowed and provided for within the applicable provider's written agreements, for CCMEP WIOA funded Youth include, but are not limited to the following:

- Unpaid work experience participants may receive remuneration in cash or non-cash incentives.
- Completion of all 4 components of the TABE, when eligibility has been established under WIOA and/or TANF.
- For each grading period that youth receive Grade Point Averages at certain levels, an incentive can be earned. Report cards must be viewed, copied and signed by case manager for verification.
- Employment Placement and Retention. To verify employment, current pay stub or contact with employer made by case manager must be on file.
- Advancement of an Educational Functional Level, Graduation, and/or High School Equivalency Attainment (including passage of the whole test or sections) or Trade Certification will result in an incentive payment amount determined by the Area's providers/lead agencies. Certificate must be verified and copied by case manager for payment. These incentives are based off of date of eligibility, not date of application (e.g. application dated 6/1, eligibility determined 6/10, graduated HS 6/15- eligible for incentive).
- Other successful completion of a specific program or milestone achievements as defined by the local program, as set forth in the individual's IOP, and as set forth expressly within the Agreement with the Provider and/or allowed within the Provider's budget.

V. Tracking Youth Incentives and Stipends.

To the extent that the CCMEP WIOA Incentive and Stipend is used in conjunction with an unpaid work experience, it should be counted by the Sub-Area's fiscal agent as part of program expenditures on the WIOA work experience program element which are subject to the 20 percent (20%) minimum work experience expenditure requirement.

VI. Definitions.

Incentive: remuneration to participants for successful participation and achievement of expected outcomes as defined in the Individual Opportunity Plan ("IOP").

Stipend: a fixed and regular small payment such as an allowance.

VII. Monitoring.

The Area will conduct oversight and monitoring of the implementation of all WIOA incentive and stipend programming by all sub-grantees and/or contractors pursuant to Area Workforce Policy D-3. Any issues discovered will be handled through the area's monitoring resolution process.

VIII. Technical Assistance.

To get questions answered and technical assistance regarding this policy or issues regarding administration of WIOA, you are urged to contact the Executive Director of the Area Workforce at craigsernik@neohio.twebc.com.

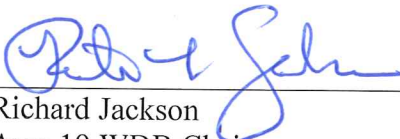
The question/issue will be researched, analyzed, and a formal written response will be provided. If a second opinion is required, the director is not available, or there is no clear answer to the question/issue, either the Executive Director or any OMJ Center or provider staff may seek additional guidance by submitting the same to the Office of Workforce Development: WIOAQNA@jfs.ohio.gov; and by copying your request to the Executive Director of the NOC COG.

IX. References

- Workforce Innovation and Opportunity Act, Pub. L. 113-128.
- 29 U.S.C. 3101 et seq.
- 2 CFR 200.
- Fair Labor Standards Act of 1938, 52 Stat. 1060, 29 U.S.C. 201 et seq.
- USDOL, Training and Employment Guidance Letter No. 12-09, Joint Guidance for States Seeking to Implement Subsidized Work-Based Training Programs for Unemployed Workers, (January 29, 2012).

- USDOL, U.S. Secretary's Commission on Achieving Necessary Skills, A SCANS Report for America 2000, (June 1991).
- I.R.S. Revenue Ruling 75-246, 1975-1 C.B. 24, Scenarios distinguish between amounts paid in connection with training—excludable under general welfare exception—and amounts paid in connection with services.
- O.A.C. § 4101:9-2 (2004).
- O.R.C. § 3331 (2002).
- O.R.C. § 4109

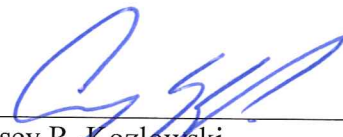
X. Signatures.



 Richard Jackson
 Area 19 WDB Chairperson

9/5/18

 Date



 Casey R. Kozlowski
 Ashtabula County Commissioner
 Northeast Ohio Consortium Council of Governments,
 Chief Elected Official

8-9-18

 Date

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Subsequent Revisions: Effective July 1, 2018
 August 1, 2018