

CFWDB POLICY NO. P-WDB-019-2021

Subject: **Local Area's Workforce Innovation and Opportunity Act Youth Incentive Policy**

Purpose: To transmit the Local Area's Policy concerning awarding **non-cash incentives** to WIOA Youth participants for recognition and achievement in WIOA related activities.

Policy: The Workforce Innovation and Opportunity Act (WIOA) allows for youth engaged in a WIOA youth funded program to be awarded non-cash incentives for recognition and achievement in WIOA related activities. This policy is designed to reward WIOA youth participants for academic achievement and participation in WIOA youth program activities. The awarding of incentives is a means to encourage attainment of individual goals that leads to the completion of a secondary school diploma or its equivalent, an occupational skills credential, a career readiness certificate, or other programmatic performance outcomes. Incentives are not an entitlement and should be awarded as appropriate. All incentive awards will be subject to the availability of WIOA youth funds. A recognized occupational credential must be received from a recognized educational institution that provides the certification. Examples of a recognized credential may include Certified Nurse's Assistant, Phlebotomy Certification, Welding Certification, etc.

20 CFR § 681.640 states that "incentive payments to youth participants are permitted for recognition and achievement directly tied to training activities and work experiences." Incentives can be effective tools to encourage participation in activities which lead to improved skills and to the achievement of academic, employment and leadership goals and positive outcomes. While incentive payments are allowable under WIOA, the incentives must comply with the Cost Principles in 2 CFR part 200. For example, Federal funds must not be spent on entertainment costs. Therefore, incentives must not include entertainment, such as movie or sporting event tickets or gift cards to movie theaters or other venues whose sole purpose is entertainment. Additionally, there are requirements related to internal controls to safeguard cash, which also apply to safeguarding of gift cards, which are essentially cash. The US Department of Labor (USDOL) has also clarified that incentives are not allowed for activities such as recruitment, submitting eligibility documentation, or just simply showing up for the program.

Action: Service Providers are required to adhere to all policies and guidelines set forth in attachments when providing youth incentives.

Effective Date: October 21, 2021

Expiration Date: Indefinitely

Contact: Cape Fear Workforce Development Board Director

Distribution: CFWDB Staff, WIOA Title I Youth Program Contractors

Attachments: Attachment A: PR-WDB-022-2021 Youth Incentives Policy Procedure