

YOUTH INCENTIVES

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INTRODUCTION

Incentive payments to actively-enrolled youth participants are permitted for recognition and achievement directly tied to training/educational activities and work experiences as a means to motivate, encourage, and reward attainment of individual milestones that directly impact WIOA performance. Such incentive payments must be related to the goals of the specific youth program and be identified as benchmarks within the Individual Service Strategy (ISS). Incentive awards are not an entitlement; they must be earned. Subcontractors must articulate incentive allowances within their contract, which is subject to Office of Community Reinvestment staff approval.

Incentives may be related to credential attainment, employment retention, skills gain, or other WIOA performance-related goals. Examples of incentives include, but are not limited to:

- Attainment of a credential
- Attainment of a High School Equivalency certificate
- Exceeding a semester GPA benchmark as outlined in the ISS
- Unsubsidized employment within an ISS-identified career pathway field
- Measurable skills gain

Each subcontractor's incentive procedures must be consistent across all participating youth within its program. Incentives must be identified in a participant's ISS in advance, and the case notes and file documentation for incentives must include:

- Identification of benchmark goal within Individual Service Strategy (ISS)
- The type of achievement being awarded
- The type and amount of incentive awarded
- Supporting documentation of the goal achievement, such as copies of credentials, evaluations, etc.

LIMITATIONS

Funding incentives are limited to increments less than or equal to \$100 and may not exceed a total of \$300 per year for each youth participant. Incentive payments must align with the subcontractor's organizational policies and must adhere to Uniform Guidance at 2 CFR 200. Incentive payments may be disbursed in the form of a check or gift card. Direct cash payments are not allowable. No gift cards may be issued for entertainment purposes (i.e. movie theaters or sporting events). Subcontractors must establish policies to ensure proper oversight and documentation of gift card transactions, which are to be treated as cash, with appropriate records maintained.

All incentives must be previously identified in the ISS in order to be disbursed; retroactive incentive payments are not permitted. Incentives are allowable during follow-up after the participant is exited from the program in compliance with this policy. Examples of the types of incentives not permitted include:

- Participation, attendance, or punctuality-based goals
- Completion/submittal of forms or applications, meeting with and/or maintaining communication with a case manager, or other basic minimum requirements to participate in WIOA programming
- Referrals
- Any benchmark not outlined in the ISS

REFERENCES: 20 CFR 681.640 – *Are incentive payments to youth participants permitted?*