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**I. APPLICABILITY/SCOPE**

This policy applies to Title I-B Workforce Innovative and Opportunity Act (WIOA) subrecipients delivering workforce development Youth program and services.

**II. PURPOSE**

This policy describes when incentive payments can be awarded to eligible individuals enrolled in the WIOA Youth Workforce Program for recognition and achievements directly related to WIOA funded training activities and work experiences.

**III. BACKGROUND**

Incentives payments may be provided to eligible individuals enrolled in the WIOA Youth Workforce Program to encourage workforce participants involvement or to reward participants for achieving specific elements indicated in the participant’s employment plan.

**IV. DEFINITIONS**

Subrecipients - a non-Federal entity that receives a subaward from a pass-through entity to carry out part of a Federal program but does not include an individual that is a beneficiary of such program.

**V. INCENTIVE PAYMENT POLICY**


Subrecipients Incentive payments are available to eligible individuals enrolled in the WIOA Youth Workforce Program for recognition and achievements directly related to WIOA funded training activities and work experiences. Subrecipients that provide incentives must maintain and make available a clear and concise written incentive policy that outlines a uniform and consistent strategy for awarding incentives with WIOA Youth Workforce Program funds prior to issuing any funds to participants under this policy. Subrecipients are also responsible for updating their WIOA Youth Workforce Incentive Payment Chart (Exhibit A) The approved WIOA Youth Workforce Incentive Payment Chart should be referenced in the subrecipient’s policy, and at a minimum, the incentive policy must include:

1. The method and justification for the issuance of incentives;
2. The method by which gift cards for incentives are purchased;
3. The method by which gift cards for incentives are stored;
4. The internal controls for incentive awards (e.g. number of signatures are required); and
5. Compliance and alignment with the Youth Program Incentive Policy 300.311.

**A. Incentive Payment Criteria**

Incentive payments may only be awarded for the following goal accomplishments or activities (See [Arizona Department of Economic Security WIOA Policy Manual Chapter 3 – Fiscal Policies, Section 700](#)):

1. Upon successful completion of a work experience or upon receipt of a federally recognized credential by the participant.
2. When it is related to a WIOA funded training service that was provided prior to exit from the program. Please refer to policy 600.602 Training Services- Occupational Skills for what is defined as a training service.
3. For achievements during a work experience or WIOA funded training activities, including demonstration of soft skills, such as attendance/punctuality and interpersonal relationships, obtainment of job skills, and specific task completion.

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4. When the participant obtains a federally recognized credential during participation or within one year of exit.
5. Incentives cannot be paid to maintain employment in the second and fourth quarter after exit.

Additional Criteria:

1. Maximum incentive payment amounts are not to exceed \$500 per participant, per program year.
2. Subrecipients have the discretion in determining the actual award amount and are required to have an approved incentive payment chart (Exhibit A) in place that must be reviewed annually or when changes are made by the Youth Workforce Development Supervisor.
3. All incentives are based on the availability of funding under the approved WIOA program budget and applied at the discretion of providers.
4. Safeguard cash and other like items (e.g., gift cards) in accordance with internal controls as defined in WIOA Youth program policy.

Incentive Limitations:

1. All incentives must follow 2 CFR 200 (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).


**B. Incentive Payment Tracking**

Subrecipients are responsible for proper tracking and documentation of incentive payments to eligible individuals enrolled in the WIOA Youth Workforce Program and must ensure:

1. All incentives are justified and documented in the Arizona Job Connection (AJC) database, must be tied to the goals of a specific program and outlined in writing in the participant’s Career and College Blueprint (CCB) and employment plan before the start of a program that an incentive payment would be provided.
2. Document the following in AJC case notes for each participant that receives an incentive(s):
  - a. Must be clearly documented based on the providers approved procedure, include incentive amount, what the incentive was provided for, and how the outcome ties directly back to the participants CCB achieving a milestone or goal.
  - b. Provide justification for contribution to the participant’s success as a result of the incentive payments.
  - c. Enter the amount of the incentive into the participant’s file case notes based on their approved incentive payment chart on how the incentive payment was calculated.
  - d. Only WIOA incentive payments are required to be entered into AJC.
3. Reimbursements for incentive payments should follow Guidance Letter 18-006 - Guidelines for Subcontract Invoicing and Backup Documentation.

**VI. POLICY MANAGEMENT REQUIREMENTS**

Administrative revisions to Youth policies may be made by the PBWD Board Executive Director, with notice to the PBWD Board’s Executive Leadership Committee. All other substantive revisions will go to

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the PBWD Board’s Program Excellence Committee for review and recommendation to the PBWD Board for approval.

**VII. ADDITIONAL OR MISCELLANEOUS INFORMATION**

- Arizona Department of Economic Security, Workforce Innovation and Opportunity Act Policy Manual, Chapter 3 – Fiscal Policies Section 700 – Incentives: <https://des.az.gov/sites/default/files/media/wioaincentives.pdf>
- Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards 2 CFR 200 - [https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200\\_main\\_02.tpl](https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl)

