

STIPENDS

PURPOSE

The purpose of this policy is to provide guidance regarding the issuance of stipends to Workforce Development Board of Ventura County (WDBVC) enrolled participants.

SCOPE

The Workforce Development Board of Ventura County (WDBVC) contractors, and subrecipients.

REFERENCES

- Title 2 Code of Federal Regulations (CFR) Part 200
- Title 20 CFR Part 681: “Youth Activities under Title I of the WIOA”
- U.S. Department of Labor Field Operations Handbook – Chapter 10: “FLSA Coverage: Employment Relationship, Statutory Exclusions, Geographical Limits”

POLICY AND PROCEDURES

The Workforce Innovation and Opportunity Act (WIOA) and specific workforce development programs allow for stipends for participants engaged in work experience, occupational skills training, classroom activities, and more.

When an employer-employee relationship does not exist, a stipend may be used as an allowable payment for participation in occupational skills training or classroom activities, including high school equivalency preparation, work readiness, or employability skills training. Stipends can be offered instead of wages or concurrently for classroom training that complements a work experience. A stipend is usually a set amount given for participation/completion of an activity. Stipends can be paid in a lump sum at specific intervals or bi-weekly. For example, a stipend may be provided instead of an hourly pay rate for attendance or participation in an activity. The participant case file must contain documentation of the activity to be completed or the goal that must be achieved to result in a stipend.

Each WDBVC subrecipient that provides stipend payments must maintain a clear and concise written stipend policy that outlines a uniform and consistent strategy for awarding stipends. The stipend policy must be reviewed and approved by WDBVC before implementation.

At a minimum, the program service provider’s stipend policy must include:

1. The method and justification for the issuance of stipends
2. The amount and timelines for which stipends will be provided
3. The source of stipend funding

4. The internal controls and documentation requirements for stipend payments, (e.g., number of signatures required)
5. Maximum allowable stipend amounts per type of stipend issued and total maximum allowable stipend amounts.

WDBVC contractors and subrecipients must be aware of the following:

- Stipends must be tied to the goals of the specific program.
- Stipends must be linked to an Individual Employment Plan (IEP) or Individual Service Strategy (ISS) goal and related activity.
- Stipends are provided at the rate equivalent to the local minimum hourly wage at the time of enrollment into the training activity.
- Stipends are outlined in writing before the commencement of the programs that may provide stipend payments.
- Stipends shall be aligned with the local program's organizational policies and under the policy contained in 2CFR Part 200.
- Stipend payments that equal \$600 or more *per calendar year* are considered taxable income, and the service provider must provide a 1099 tax form to the participant.
- Stipends are to be carefully distinguished from regular supportive services, incentives, tuition, and other similar needs-related payments, and any allotment for stipends is exclusive of these services.
- All stipend details must be specified in CalJOBS or other required systems and should include a stipend log (Attachment I) showing the date, the amount provided, the funding source used, justification for issuance, and staff initials.
- A copy of the check issued shall be placed in the participant's file.
- Stipend payments must be scheduled and documented in each participant's Individual Employment Plan (IEP) or Individual Service Strategy (ISS) and case notes.
- Backup documentation for stipends must be in the participant's case file. Acceptable documentation includes, but is not limited to, performance reports, attendance records, educational certificates, etc.
- Participant and financial records about stipend payments must be made available for review by local, state, and federal monitors. They must meet financial management standards, including sufficient information to provide:
 - A comparison of actual expenditures with the budgeted amounts of each contract.
 - Support for accounting records to ensure proper charging of costs and cost allocation.

ACTION

Bring this policy to the attention of all affected staff.

INQUIRIES

Inquiries regarding this policy can be addressed to the WDBVC at 805-477-5306.

/S/ Rebecca Evans, Executive Director
Workforce Development Board of Ventura County

ATTACHMENTS:

Attachment I - Stipends Log

Stipends Participant Log

#	Date	Amount Provided	Funding Source	Justification	Staff Initials
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					