

PARTNER WORK

EARN & WORK READY INCENTIVE POLICY

Purpose

Partner4Work, through a network of providers, ensures the availability of appropriate and necessary incentives to encourage participants to achieve specific goals. The purpose of this policy is to articulate how incentive payments are permitted to be provided to participants of Temporary Assistance for Needy Families (TANF) Employment and Training programs: Employment Advancement and Retention Network (EARN) and Work Ready.

Affected Parties

This policy applies to staff and participants of EARN and Work Ready programs that provide incentives. Provider staff are responsible for implementing this policy.

Programs interested in providing incentives must receive approval from Partner4Work. Incentives must be permitted under all federal, state, and local policies and requirements applicable to TANF funds. Partner4Work will also consider other factors, including but not limited to funding availability and how incentives align with and support the achievement of program goals.

References

- EARN Manual PY 24-25
- Work Ready Manual PY 24-25
- [TANF Final Rule](#)
- U.S. Internal Revenue Service, Publication 525 (2022), [Taxable and Nontaxable Income](#)

Definition of Key Terms

- **Incentives:** Client incentives are positive reinforcements based on client performance to promote participation and achievement. Incentives must encourage participation in TANF activities and accomplish one or more of the purposes of TANF.
- **Stipends:** Stipends are predetermined, fixed payments that may be awarded to individuals for participation or attendance in training or work experience activities. Stipends differ from incentive payments as they are not tied to specific program outcomes. Stipends are not allowable under Partner4Work EARN and Work Ready programs.

Eligibility Requirements

To be eligible for an incentive, an EARN/Work Ready participant must be:

- Enrolled;
- In compliance with required hours; and

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- Meeting all other program expectations, including expectations regarding conduct and active involvement in activities.

Policy

Each Partner4Work funded program that utilizes incentive payments must maintain a written policy that outlines a uniform and consistent strategy for issuing incentives to program participants. Providers must submit this policy to Partner4Work for approval prior to issuing incentives for a program. Incentives must also be approved and budgeted for during the contracting process.

At a minimum, the provider's incentive policy must include:

- The method, justification, and amounts for the issuance of incentives;
- The method by which gift cards for incentives are purchased (e.g with a purchasing card), if applicable;
- The method by which gift cards for incentives are stored, if applicable; and
- The internal controls for incentive awards, including the staff responsible for approving an incentive.

At least three individuals must sign off to indicate that an incentive has been awarded: two staff members of the service provider, who are familiar with incentive policy requirements, and the participant receiving the incentive. The provider's written incentive policy must clearly describe this process.

All incentives given to a participant are subject to monitoring and are to be recorded in the CWDS case narrative. EARN and Work Ready service providers are required to maintain a list of all incentives issued that includes the following information:

- Amount and type of incentive issued
- Name of individual receiving incentive
- Date issued and reason for issuance of incentive.

Per September 2025 guidance issued by the Bureau of Employment Programs (BEP), service providers must maintain documentation that tracks gift cards from purchase to issuance. Gift card incentive inventory and tracking are required to capture gift card number, gift card value, date of gift card purchase, name of the participant that received the incentive, and date of issuance. Providers may (a) use their own inventory and tracking systems if they meet these reporting requirements, or (b) use the inventory and tracking template created by BEP. Incentive tracking documents must be provided for monitoring upon request.

Availability

EARN/Work Ready participants may receive incentives to promote positive behavior and/or to reinforce the demonstration of improved behavior, such as increased or sustained attendance, goal attainment, and active program participation. TANF incentives must encourage participation in a TANF activity and accomplish one or more of the four purposes of TANF:

1. Provide assistance to needy families so that children can be cared for in their own homes or in the homes of relatives;

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2. End the dependence of needy parents on government benefits by promoting job preparation, work, and marriage;
3. Prevent and reduce the incidence of out-of-wedlock pregnancies;
4. Encourage the formation and maintenance of two-parent families

Client incentives may be given in advance of the individual's compliance with participation to promote attendance in employment and training activities and programming. If an individual does not subsequently participate or comply, the provider should evaluate if continued incentives would improve the participant's outcomes.

A cap of \$250 in value per instance of incentive issuance is required. The following limitations apply to client incentives:

- Incentives cannot be used on items a TANF participant is eligible to receive as a special allowance.
- Incentives cannot be used to supplement authorized special allowances.
- Incentives must not be used for costs related to entertainment, such as sport or event tickets, meals, lodging, rentals, transportation, and gratuities.
- Incentives must be issued as gift cards, ConnectCards/gas cards, or (in some circumstances) 3rd party checks.

Organizations providing incentives to participants should be aware of any implications under IRS provisions. Please consult www.irs.gov for more information. It is the responsibility of the service provider to maintain required documentation detailing the distribution and management of incentives.

Policy Exceptions:

Under limited circumstances, Partner4Work may grant exceptions to requirements within this policy. Requests must be made using the [Policy Exception Form](#) available at www.partner4work.org.

Exception requests will be reviewed based on their allowability under any applicable legislation, regulation, and policy. Partner4Work will also consider funding availability, how an exception will lead to improved outcomes for the customer(s) being served, and other relevant factors.

Effective Date: October 9, 2023

Last Reviewed: December 12, 2025

| Date | Policy Update |
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| 12/12/2025 | <ul style="list-style-type: none">• Added language to align with September 2025 Bureau of Employment Programs' guidance on incentive tracking.• Updated reference section to include the most recent EARN and Work Ready program manuals. |
| 03/25/2026 | <ul style="list-style-type: none">• The Policy Exceptions subsection has been updated to direct users to the new request form. |