

# PARTNER WORK

The Workforce Development Board for the Pittsburgh Area

**Partner4Work  
Executive Committee  
8:30-10 a.m. June 11, 2021  
Via Zoom**

1. **Welcome and roll call** *David Malone, Chair*

2. **CEO Search Update** *David Malone*

3. **General Business – Consent Agenda**

**ACTION:**

- **Acknowledge:** Three Executive Sessions of the Executive Committee to discuss personnel matters (April 30, May 25, and June 7, 2021)
- **Accept** \$925,000 in funding received from Allegheny County.
- **Approve contracts:**

**Year-round youth**

▪ Auberle	\$101,000.00
▪ Auberle	\$105,000.00
▪ Bloomfield-Garfield Corporation	\$161,000.00
▪ City Charter High School	\$46,821.53
▪ Community Empowerment Assoc.	\$106,145.00
▪ Equus	\$314,300.00
▪ Equus	\$62,660.00
▪ Goodwill of Southwest PA	\$170,000.00
▪ Human Service Center Corp	\$498,550.00
▪ Jewish Family & Community Services	\$84,000.00
▪ Neighborhood Learning Alliance	\$271,000.00
▪ Phase 4	\$1,501,000.00
▪ Pittsburgh Public Schools	\$181,889.00
▪ Point Park University	\$169,638.55
▪ Youth Enrichment Services	\$159,400.00

**BankWork\$**

▪ Energy Innovation Center Institute	\$340,000.00
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**Redesigned Jobs, Resilient Workers**

▪ JP Harvey Associates (Third-party evaluation services)	\$20,000.00
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**CareerLink outreach & communication support**

▪ Shift Collaborative LLC	\$24,850.00
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**EARN**

▪ DB Grant Associates, Inc.	\$1,900,000.00
▪ Educational Data Systems, Inc.	\$1,200,000.00

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- Goodwill of Southwestern PA \$650,000.00
- Literacy Pittsburgh \$40,000.00

## WorkReady

- DB Grant Associates, Inc. \$500,000.00
- Educational Data Systems, Inc. \$495,000.00
- Goodwill of Southwestern PA \$200,000.00
- Literacy Pittsburgh \$40,000.00

## Dislocated Worker Program Research & Analysis

- Stacy Woodruff \$20,000.00

## Pathways Home

- Allegheny County (Jail Collaborative) \$450,000.00

## Industry-Recognized Training Program (IRTP)

- Swanco, Inc. dba All-State Career School \$150,000.00
- Builders Guild of Western PA \$128,037.00
- Tech Elevators \$100,750.00
- UPMC Center for High Valued Health Care \$235,500.00

## Transportation EARN and Work Ready

- Travelers Aid Society of Pittsburgh \$250,000.00

## Title I Adult & Dislocated Worker (CareerLink)

- Dynamic Workforce Solutions \$1,762,000.00
- DB Grant Associates, Inc. \$1,700,000.00

## One Stop Operator (CareerLink)

- Equus Workforce Solutions \$482,010.00

## Title I Adult (Transitional jobs)

- Community Kitchen Pittsburgh \$215,000.00

## Budget Reduction

- Pathways Home, APRI (\$150,000)

## Budget Increase

- Year-Round Youth, Phase 4 \$100,000

#### 4. Committee Reports

- **Finance and Personnel**
  - 2021-2022 Budget
  - Third Quarter Financials
- **Programs**
  - Learn & Earn

*Kristin Kramer, CFO*

*Susie Puskar, CPO*

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- *Year-Round Youth and Adult programs*
- *Policy updates and exceptions*
- **Approve:** *P4W Incentive and Stipend Policy*
- **Approve:** *Exception to the Partner4Work ITA policy allowing individuals to qualify for an ITA for the Intro to the Trades Program if they do not have a high school diploma and are enrolled in the TradeUp program. The TradeUp program will concurrently prepare students to earn their GED while they are enrolled in the Intro to the Trades Program.*

5. **Interim CEO'S Report**

*Debra L. Caplan*

- a. Ready to Work
- b. Local and Regional Plan Approval

6. **Other Business**

7. **Open Forum and Public Comment**

*Speakers are limited to three (3) minutes*

8. **Adjournment**

**MEMORANDUM**

**TO:** Partner4Work Executive Committee  
**FROM:** Kristin Kramer  
**DATE:** June 11, 2021  
**RE:** FY21-22 Budget

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I have enclosed the proposed FY21-22 Partner4Work budget. The following represents a more detailed narrative surrounding the FY21-22 Budget Analysis.

**Income:**

• **Public Funds/Government Grants**

- The proposed FY21-22 budget shows a \$3M decrease, which is caused by the following:
  - Midwest Urban Strategies – This program ended 3/31/21. We had revenue of \$3M budgeted in prior year.
  - WIOA Allocations - We have changed the categories of WIOA from Allegheny County and City of Pittsburgh to Youth, Adult and Dislocated Worker. We felt these categories made more sense to track expenditures vs. the regions. The WIOA cluster overall has increased \$1M due to more funding received from the State (\$1.5). Because our grants span 2 years, we have the flexibility of carrying forward money into the next program year.
  - TANF – This program has decreased by about \$885K. Adult TANF has remained the same because I did not have updated amounts from the County. The TANF Youth, we were funded about \$150K less than prior year. In addition to less funding, we are carrying forward about \$800K less than prior year.
  - DOL Ex-Offenders – remains fairly consistent with a slight decrease of \$132K. This decrease is related to the STRIVE grant, which is wrapping up on 9/30/21. Offsetting some of the Strive Loss is the new MUS Pathways Home project that started prior fiscal year, but has had a slow start with COVID, however is anticipated for the POP to start 7/1/21.
  - Sector Strategies – It is about \$100K above prior year due. This is comprised of a variety of funding. This year, there is anticipation of the PA Smart awards, National Fund Industry Partnership money, National Fund Resilient Jobs Resilient Works Grant,, Tech IP from RK Mellon and Industry Partnership Sponsorships.
  - Learn & Earn – This program remains consistent from prior year. We were expecting a small funding decrease, which you see of about \$50,000.

**Foundation and Private Fund Breakdown \$460,533**

- Prior year, foundation & Private funds were under the release from restriction column.
  - Learn & Earn corporate contributions - \$76,000
  - Bank Works Program (Career Work\$) - \$30,000
  - Tech Quest - \$30,000
  - National Fund Financial Industry Partnership - \$75,000

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- Tech IP & IP Priorities RK Mellon - \$58,333
- National Fund Resilient Jobs Resilient Workers - \$28,000
- Industry Partnership Sponsorships - \$163,200

## Expenses:

### • Direct Program Expense

- The \$3 million decrease relates to the increase/decrease of funding sources identified above:
  - Midwest Urban Strategies – Decreased by \$3M
  - WIOA funds – Increased by \$1M
  - DOL Ex-Offenders – Decreased by \$137K
  - TANF – Decreased \$800K
  - Sector Strategies – Increased \$117K
  - Learn and Earn – Decreased \$50K

### • Salaries, Wages and Benefits

- We are budgeting a \$181K increase in this area for two reasons
  - 3% Cost of Living increase built into the Salary
  - We have added and removed different positions as we've been operating the past year as well as promoted some position:
    - Positions removed:
      - Assistant Grants Manager
      - Director of Workforce Innovation
      - Director of Development
    - Positions Added:
      - Database Coordinator
      - Senior Director for Programs
      - Program Coordinator of Adult Programs
      - Payroll Specialist
      - 2 – Program Managers – Special Projects

### • Communications

- The increase of \$25,000 in communications is related to the Strategic Planning consultant we intend to hire in the upcoming year for \$35,000 and an offsetting reduction of \$10,000 for the website.
- The decrease of \$53K is primarily related to Midwest Urban Strategies. This program ended 3/31/21.

### • Depreciation Expense

- Depreciation increased almost \$60K for this budget due to the leasehold improvements and furniture purchased for our new space. We are following GAAP guidelines by recognizing depreciation over the life of the lease, which ends 8/2023, hence the higher costs. If the lease gets extended, we will adjust accordingly.

### • Information Technology Services

- The decrease of \$90K relates to Management & General. Last year we budgeted a Program Outcomes System \$50,000, CRM System \$40,000 that we did not budget this year.

### • Meeting Expense

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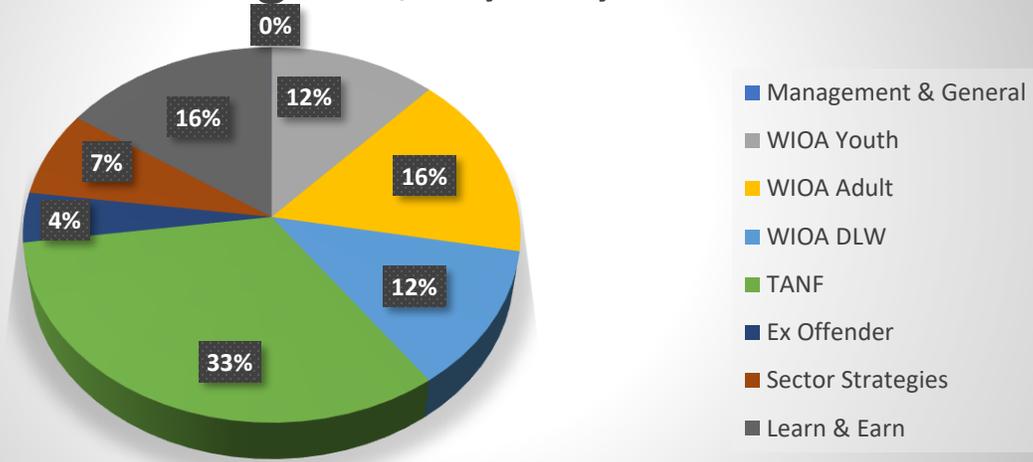
- Has decreased \$13,000 due to more meetings being held by zoom, teams, or other virtual platforms.
- **Rent**
  - The increase of \$45,000 relates to increase in square footage moving spaces from 3 floors to 1 floor. For more detail, please see rent breakdown below\*\*
- **Staff Administration**
  - We have increased Staff Administration to include add'l \$43K for staff training (including DEI training), plus \$2,000 for food (\$40/per person). This will allow C-level Staff and Directors to build team morale by allowing for some social gatherings at the discretion of the C-level staff. We also build in additional \$7,800 for parking passes for C-Level Staff.
- **Travel & Conference**
  - P4W budgeted an decrease of \$68K. Prior year, we had \$58K budgeted for our Chief Strategic & Innovation Officer. We also reduced CEO travel by \$7,500 due to many conferences changing platforms to virtual.

\*\*Rent Breakdown for square feet 13,445

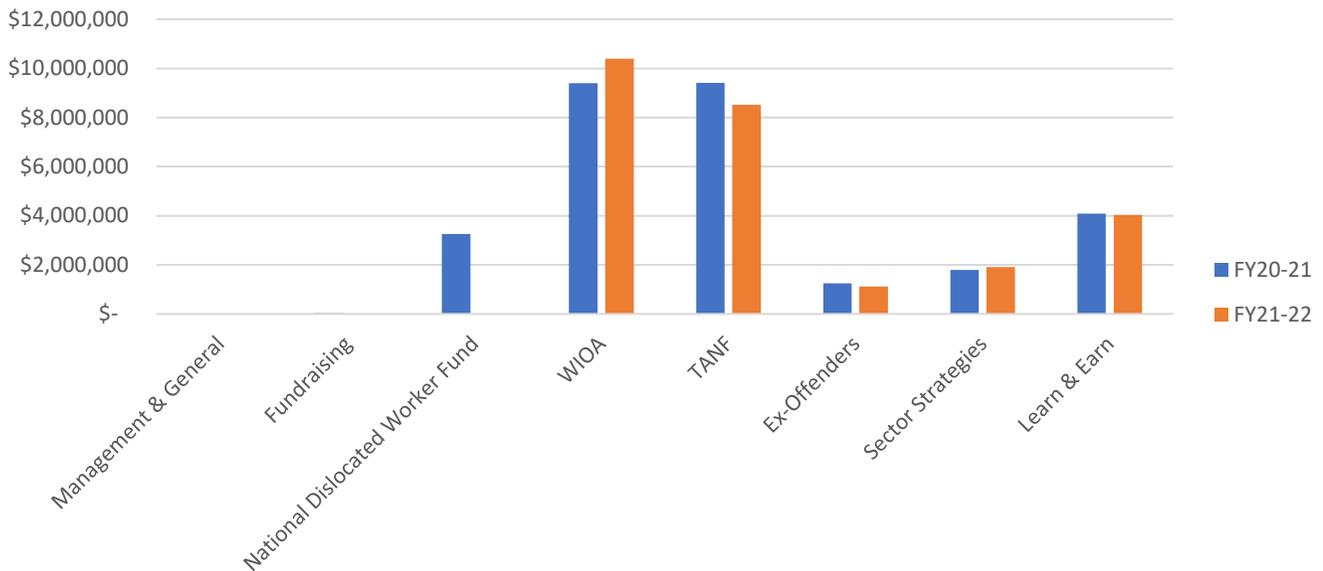
Base Rent – July – August -	\$42,800 – 19.10/per RSF
Base Rent – Sept – June	\$220,286 - \$19.67/per RSF
Add'l Operating Expense	\$14,980
Add'l Real Estate Taxes	\$615
 Total Budgeted Rent	 \$278,780

## Charts & Graphs

### Partner4Work Revenue for FY21-22 Budget - \$26,063,965



### Budget Comparison FY 20-21 vs. FY 21-22



**Partner4Work**  
**Statement of Activities**  
 FY21-22 BUDGET

	Reimbursement Contracts						Restricted Grants			Total Program	Total Unrestricted
	Management & General	Fundraising	WIOA Youth	WIOA Adult	WIOA DLW	TANF	Ex-Offenders	Sector and Placed Based Strategies	Learn & Earn		
	(Unrestricted)	(Unrestricted)	(Program)	(Program)	(Program)	(Program)	(Program)	(Program)	(Program)		
Ordinary Income/Expense											
Income											
4000 · Public Funds/Government Grants	0		3,103,487	4,050,016	3,171,601	8,906,794	1,117,730	715,000	2,710,000	23,774,628	23,774,628
4200 · Foundation & Private Contrib	0			0	0		0	384,533	76,000	460,533	460,533
4300 · Interest	4,529			0	0	0	0	0	0	0	4,529
4400 · Inter-Fund Transfer	0			0	0	(450,000)	0	0	450,000	0	0
4710 · Other Income	1,000			0	0	0	0	0	0	0	1,000
4800 · Assets Released frm Restriction				125,000	0	86,000	0	814,275	798,000	1,823,275	1,823,275
<b>Total Income</b>	<b>5,529</b>	<b>0</b>	<b>3,103,487</b>	<b>4,175,016</b>	<b>3,171,601</b>	<b>8,542,794</b>	<b>1,117,730</b>	<b>1,913,808</b>	<b>4,034,000</b>	<b>26,058,436</b>	<b>26,063,965</b>
Expense											
5000 · Direct Program Expenses	0		2,264,189	3,272,396	2,375,000	7,144,770	757,554	869,355	3,322,558	20,005,821	20,005,821
5200 · Salary, Wages, and Benefits	1,181,249	0	382,897	450,886	420,578	671,824	249,315	701,173	300,241	3,176,914	4,358,162
5350 · Communication	75,500		0	7,500	7,500	7,500	2,500	9,000	6,000	40,000	115,500
6000 · Contracted Service	25,500		200,000	40,000	40,000	300,000	0	36,000	29,800	645,800	671,300
5750 · Depreciation Expense	69,600		0	0	0	0	0	0	0	0	69,600
5700 · Equipment Expense	44,000		0	5,000	5,000	5,000	1,000	2,500	5,000	23,500	67,500
5500 · Fiscal	56,000		0	0	0	0	0	0	0	0	56,000
5600 · Insurance	20,000		0	0	0	0	0	0	0	0	20,000
6400 · Information Technical Service	64,000		0	500	500	500	500	0	30,000	32,000	96,000
6100 · Legal Expense	17,500		2,000	1,000	1,000	1,000	0	1,100	4,900	11,000	28,500
5800 · Materials / Supplies	22,500		2,500	5,000	5,000	5,000	2,500	2,500	2,000	24,500	47,000
5930 · Meeting Expense	15,000		10,000	5,000	5,000	5,000	2,500	5,000	2,000	34,500	49,500
6300 · Memberships	35,000		0	0	0	0	0	0	0	0	35,000
5350 · Postage / Messenger	1,000		0	0	0	0	0	0	0	0	1,000
5360 · Publications	1,500		0	0	0	0	0	0	0	0	1,500
5400 · Rent	111,512		20,160	23,740	22,144	35,372	13,127	36,918	15,808	167,269	278,781
6319 · Staff Administration	67,800		0	0	0	0	0	0	0	0	67,800
5320 · Telephone	28,500		0	0	0	0	0	0	0	0	28,500
5900 · Travel & Conference	22,000			9,500	9,500	9,000	3,500	10,500	2,500	44,500	66,500
6999 · Distributed Costs	(1,852,632)		221,740	354,494	280,380	357,828	85,234	239,762	313,194	1,852,632	0
<b>Total Expense</b>	<b>5,529</b>	<b>0</b>	<b>3,103,486</b>	<b>4,175,016</b>	<b>3,171,601</b>	<b>8,542,794</b>	<b>1,117,730</b>	<b>1,913,808</b>	<b>4,034,000</b>	<b>26,058,437</b>	<b>26,063,965</b>
Net Ordinary Income	0	0	0	(0)	(0)	(0)	0	0	(0)	(1)	(0)
Net Income	0	0	0	(0)	(0)	(0)	0	0	(0)	(1)	(0)

**Partner4Work**  
**Statement of Activities Comparison**  
**FY20-21 vs FY21-22 Budget**

	<b>BUDGET</b>		
	<b>FY20-21</b>	<b>FY 21-22</b>	<b>Change</b>
Management & General	\$ 5,677	\$ 5,529	\$ (148)
Fundraising	\$ 26,772	\$ -	\$ (26,772)
National Dislocated Worker	\$ 3,250,000	\$ -	\$ (3,250,000)
<b>WIOA Youth</b>		\$ 3,103,486	\$ 3,103,486
<b>WIOA Adult</b>	4,986,758	4,175,016	\$ (811,742)
<b>WIOA Dislocated Worker</b>	\$ 4,406,623	\$ 3,171,601	\$ (1,235,021)
TANF	\$ 9,407,782	\$ 8,542,794	\$ (864,987)
Ex-Offenders	\$ 1,250,000	\$ 1,117,730	\$ (132,270)
Sector Strategies	\$ 1,796,158	\$ 1,913,808	\$ 117,650
Learn & Earn	\$ 4,082,725	\$ 4,034,000	\$ (48,725)
<b>Total</b>	<b>\$ 29,212,494</b>	<b>\$ 26,063,965</b>	<b>\$ (3,148,529)</b>

**Partner4Work**  
**Statement of Activities Comparison**  
**FY20-21 vs FY21-22 Budget**

	<b>BUDGET</b>	<b>BUDGET</b>	
Ordinary Income/Expense	<b>FY20-21</b>	<b>FY21-22</b>	<b>Change</b>
Income			
4000 · Public Funds/Government Grants	26,833,261	23,774,628	(3,058,633)
4200 · Foundation & Private Contrib	57,500 *	460,533	403,033
4300 · Interest	4,677	4,529	(148)
4400 · Inter-Fund Transfer	-	-	-
4710 · Other Income	1,000	1,000	-
4800 · Assets Released frm Restriction	2,149,284 *	1,823,275	(326,009)
Total Income	29,045,722	26,063,965	(2,981,757)
Gross Profit	29,045,722	26,063,965	(2,981,757)
Expense			
5000 · Direct Program Expenses	23,309,071	20,005,821	(3,303,249)
5200 · Salary, Wages, and Benefits	4,175,445	4,358,162	182,718
5350 · Communication	91,062	115,500	24,438
6000 · Contracted Service	724,417	671,300	(53,117)
5750 · Depreciation Expense	10,000	69,600	59,600
5700 · Equipment Expense	61,500	67,500	6,000
5500 · Fiscal	55,000	56,000	1,000
5600 · Insurance	15,000	20,000	5,000
6400 · Information Technical Service	186,000	96,000	(90,000)
6100 · Legal Expense	20,000	28,500	8,500
5800 · Materials / Supplies	52,500	47,000	(5,500)
5930 · Meeting Expense	62,500	49,500	(13,000)
6300 · Memberships	40,000	35,000	(5,000)
5350 · Postage / Messenger	2,000	1,000	(1,000)
5360 · Publications	1,500	1,500	-
5400 · Rent	233,000	278,781	45,781
6319 · Staff Administration	15,000	67,800	52,800
5320 · Telephone	24,000	28,500	4,500
5900 · Travel & Conference	134,500	66,500	(68,000)
6999 · Distributed Costs	(0)	0	0
Total Expense	29,212,494	26,063,965	(3,148,529)
Net Income	(166,772)	(0)	

**Partner4Work  
Management & General Budget  
FY21-22**

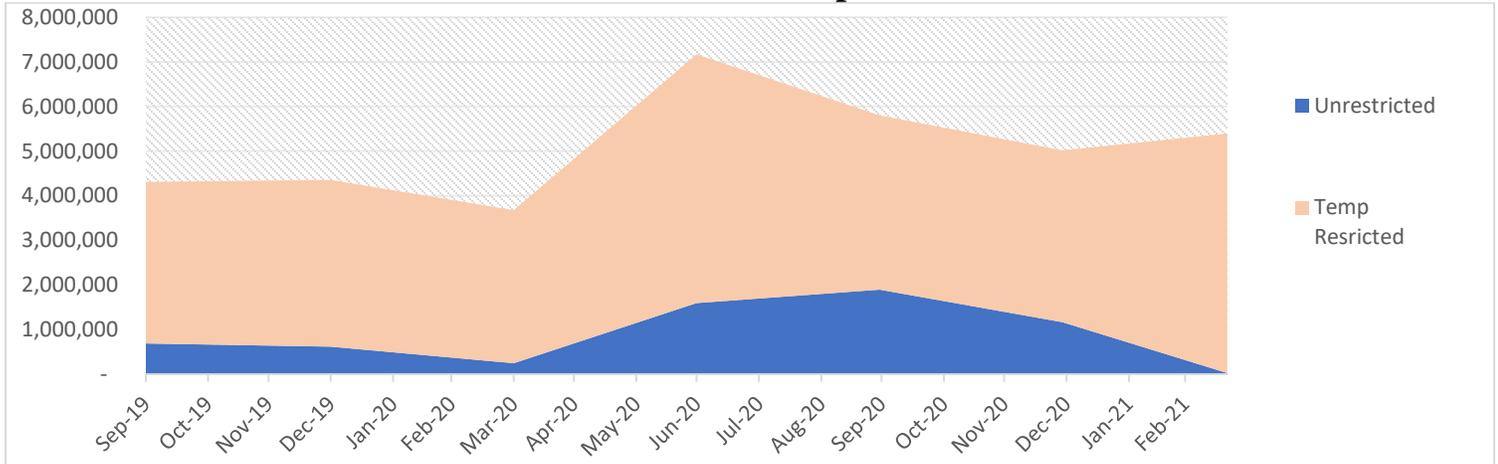
Ordinary Income/Expense

	FY20-21	FY21-22	Variance
Income			
4000 · Public Funds/Government Grants			
4200 · Foundation & Private Contrib			
4300 · Interest	4,677	4,529	(148)
4400 · Inter-Fund Transfer			
4710 · Other Income	1,000	1,000	0
4800 · Assets Released frm Restriction			
<b>Total Income</b>	<b>5,677</b>	<b>5,529</b>	<b>(148)</b>
Gross Profit	5,677	5,529	(148)
Expense			
5000 · Direct Program Expenses			
5200 · Salary, Wages, and Benefits	1,182,650	1,181,248	(1,402)
5350 · Communication	50,006	75,500	25,494
6000 · Contracted Service	22,500	25,500	3,000
5750 · Depreciation Expense	10,000	69,600	59,600
5700 · Equipment Expense	38,000	44,000	6,000
5500 · Fiscal	55,000	56,000	1,000
5600 · Insurance	15,000	20,000	5,000
6400 · Information Technical Service	154,000	64,000	(90,000)
6100 · Legal Expense	11,000	17,500	6,500
5800 · Materials / Supplies	25,000	22,500	(2,500)
5930 · Meeting Expense	25,000	15,000	(10,000)
6300 · Memberships	40,000	35,000	(5,000)
5350 · Postage / Messenger	2,000	1,000	(1,000)
5360 · Publications	1,500	1,500	0
5400 · Rent	93,200	111,512	18,312
6319 · Staff Administration	15,000	67,800	52,800
5320 · Telephone	24,000	28,500	4,500
5900 · Travel & Conference	85,000	22,000	(63,000)
6999 · Distributed Costs	(1,843,180)	(1,852,632)	(9,452)
<b>Total Expense</b>	<b>5,676</b>	<b>5,528</b>	<b>(148)</b>
Net Ordinary Income	\$ 1	\$ 1	\$ 0
	1	1	0

March 31, 2021

## Dashboard Report

### Cash Flow Unrestricted and Temp Restricted Funds



### Current Assets, Liabilities & Equity

#### Cash:

Temp Restricted – \$5,345,672

Unrestricted - \$24,417

**Total Cash - \$5,370,089**

#### Line of Credit secured by Money Market

\$0 of \$500,000

#### Other Current Assets

Prepaid Expenses - \$3,000

Prepaid Insurance - \$10,597

Security Deposit - \$6,067

Fixed Assets Net of Depreciation - \$177,070

#### Liabilities

A/P- \$3,112,209 (\$2,978,579 due to subrecipients)

PA Unclaimed Property - \$1,309

Accrued Vacation - \$75,577

Deferred Rent - \$4,461

Paycheck Protection Program \$0 \*

Items over 90+ days: Learn & Earn - \$41,887; Buccini Pollin Group - \$150,000

A/R Clean Up - \$ 128,927

PA CareerLink - \$21,953.427; Employ Milwaukee - \$97,485; PA L&I - \$11,414

\*We have received for forgiveness

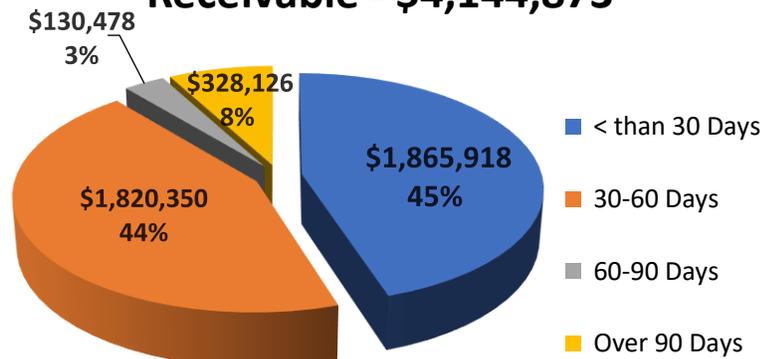
#### Equity

Unrestricted Net Assets - \$748,292

Temp Restricted Net Assets- \$7,745,658\*\*

Net Income – (\$2,104,737) \*\*\*attributed to the release of funds.

### Partner4Work Accounts Receivable - \$4,144,873



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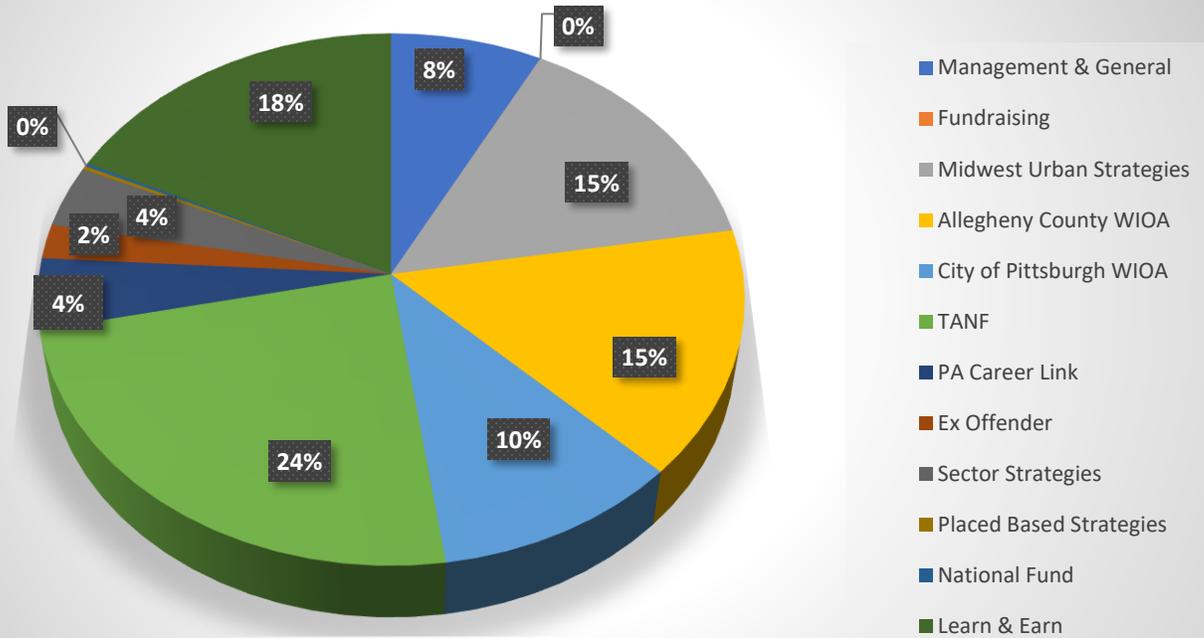
\*\*Misc - \$207,701; M&G - \$150,000; Sector Strat.- \$809,849; Place Based Strat - \$83,735; Adult TANF - \$3,587,244; L&E - \$2,872,634

& National /fund - \$34,496. This is reflective of activity through 7/1/2020

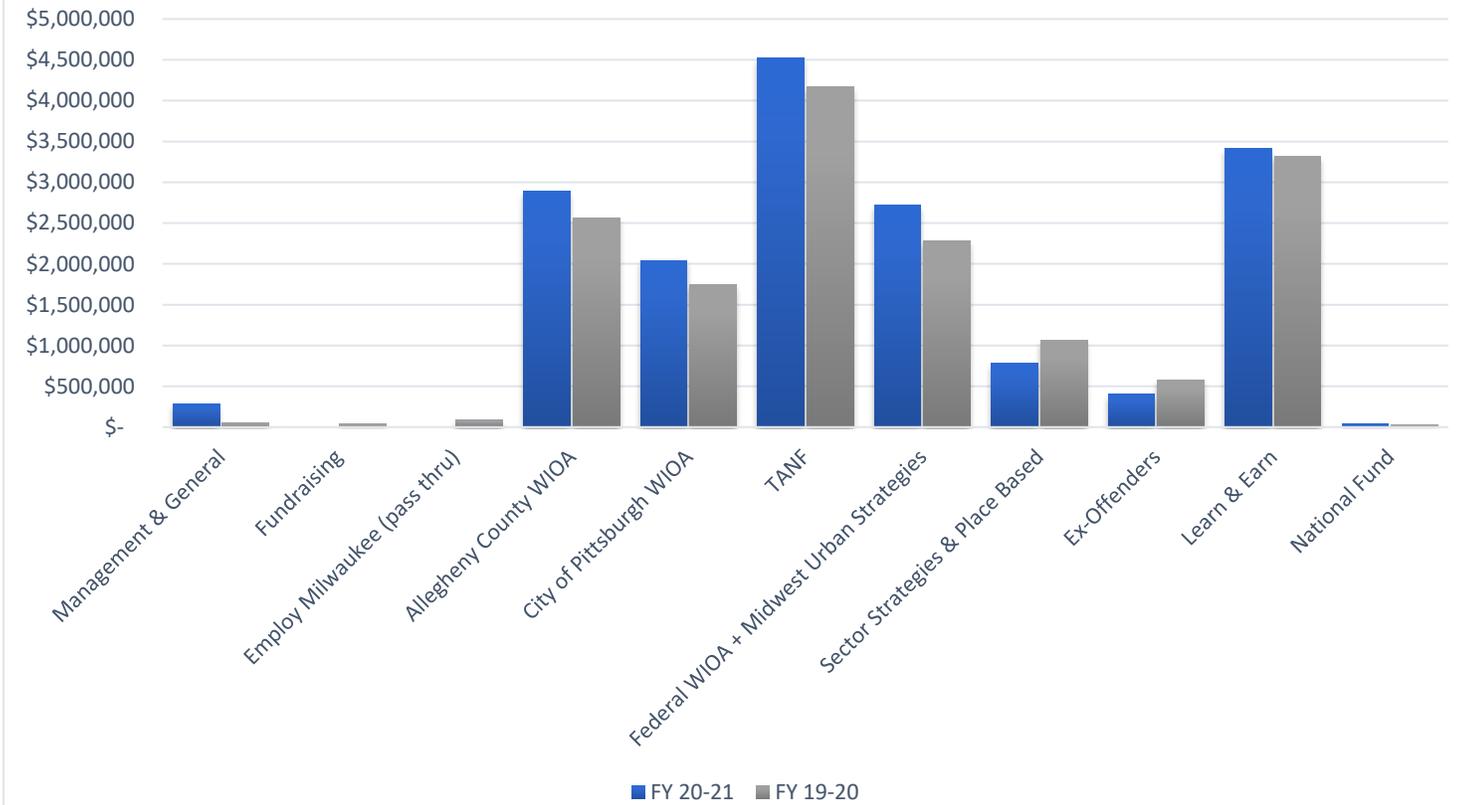
## Dashboard Report Continued

### Income and Expenses

#### Total Partner4Work Expenditures - \$17,875,260



## Expense Comparison FY 20-21 vs. 19-20



### Comments

-WIOA grants are about \$620K above prior year. Program reports that both Title I providers are ahead of this time last year. We are investing more heavily in new industry recognized training opportunities to help people prepare for work when they feel ready to. Youth ISY and OSY are at 99.7% and 122% enrolled respectively. The pandemic also slowed expenditures during the last quarter of PY 19-20. We have not seen a similar pattern this year.

-TANF funding is \$357K higher than prior year. This has picked up from first quarter. Referrals come from the County Assistance Office for our Adult TANF and our youth TANF referral levels are the same from last year, providers go out and actively recruit youth. The adult EARN/WorkReady programs are down, but placement outcomes are improved from County performance and beating the State, they still have room for improvement and are the focus of a current procurement.

-Federal WIOA & MUS grants have increased \$400K above prior year. The Federal National Dislocated Worker Program ended 3/31/21. The program had a slower start, however, picked up to a strong finish. We had about \$424K unspent of the \$8M grant, of this \$300K was from providers and \$105K went back towards our indirect.

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The Workforce Development Board for the Pittsburgh Area

-Sector Strategies is \$282K less than prior year. There are 2 factors at play. We used PPP money to reduce expenditures for Salary/Benefits by \$100K and the second factor is not being awarded the PA smart grants at the beginning of this fiscal year. As of Jan 2021, we have been re-awarded the PA Smart grants, but they will need to be spent by 6/30/21, which is a tight turnaround, but there are talks of a potential extension through 6/30/2022.

-Ex-Offenders is about \$179K less than prior year due to the Federal Re-Entry grant ending 12/31/2019, plus Pathways home projects had implementation delayed to July 1, 2021, as outside parties were not permitted in the jail during the original start time of 1Q2021. With increased vaccinations and falling rates, the jail is reopening to programming.

– Learn & Earn program has \$93K additional in expenditures related to additional expenses incurred due to COVID restrictions and remote learning experiences being offered. We received additional funding this past summer from Grable (\$25,000), Hillman (\$100,000) and JP Morgan (\$125,000). For this summer 2021, we have had more than 1,000 youth applications started and our MOU has passed County and City review. Even though, we will see funding levels decrease, including McAuley and YSIF (Youth Services Investment Fund of The Pittsburgh Foundation), we have created a cohesive plan for business engagement. Susie and our team have done a tremendous job filling the gap to have a full budget for Summer of 2021!.

## 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 enrolled in Partner4Work funded programs.

### Affected Parties

This policy applies to staff and participants of Partner4Work funded 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 the program and/or funding stream. 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.

The following programs are currently approved to provide incentives:

- Workforce Innovation and Opportunity Act (WIOA) Youth
- Temporary Assistance for Needy Families (TANF) Youth
- WIOA Transitional Jobs

### References

- WIOA [Final Rule](#) - 20 CFR 681.640
- U.S. Office of Management & Budget (OMB), [Uniform Guidance](#), 2 CFR Part 200
- U.S. Department of Labor Wage and Hour Division, [Wages and the Fair Labor Standards Act](#)
- U.S. Department of Labor Wage and Hour Division, [Youth Employment Compliance Assistance Toolkit](#)
- U.S. Internal Revenue Service, Publication 525 (2019), [Taxable and Nontaxable Income](#)

### Definition of Key Terms

- **Incentives:** Incentive payments are awarded to participants in recognition of a measurable achievement directly tied to training activities or work experiences. Incentive payments differ from stipends, as they must be awarded in response to a specific outcome achieved (e.g. credential attainment, job placement, placement in post-secondary education) rather than program participation/attendance.
- **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 (e.g. credential attainment) and instead are based on levels of program participation or attendance met. Stipends are not considered income for WIOA eligibility purposes, are not required to meet minimum wage requirements, are not dispersed as payroll, and income tax is not withheld.

Stipends are not a substitute for wages. Providers should refer to applicable legislation/policies, including the Fair Labor Standards Act (FLSA), to determine when a wage must be paid to individuals.

**Resources:** The USDOL - Wage and Hour Division: [Fact Sheet #71: Internship Programs Under The Fair Labor Standards Act](#) can assist in determining whether an intern vs. employee relationship exists and if a wage must be paid. The USDOL has also provided this [FLSA compliance resource](#) to assist in determining whether a student/trainee vs. employee relationship exists.

- **Wages:** A wage is generally a payment for services rendered where an employer/employee relationship exists. This form of compensation is usually paid through a payroll system and is subject to the taxes applicable to the employer of record and participants. Paying a wage usually indicates that a program views the youth as an employee.

## Eligibility Requirements

The following are the eligibility requirements for providing incentive payments:

- Participants must be active and in good standing with a program.
- Participants must be enrolled in an approved training program or be actively participating in work experience.
- Participants must have achieved an outcome listed as a goal within their individual service strategy (ISS) or individual employment plan (IEP).

## Policy

Incentive payments must be provided in accordance with all federal, state, and local policies and requirements applicable to the program and/or funding stream. 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.

Programs may not award direct cash payments to participants as part of an incentive strategy. A cap of **\$100** in value per instance is required. Incentives must be administered in a manner that ensures all participants receive equal awards for equal achievements. Participants cannot receive multiple incentives for the same activity. Incentives must not include entertainment costs, such as movie or event tickets or gift cards to movie theatres.

Incentive payments may only be awarded in recognition of an achievement directly tied to training or work experience and must align with the goals of the program and participant goals in the ISS or IEP. Examples include obtaining a GED, placement in employment, and retention of a job for 90 days. Funds may not be used for incentive payments issued as motivation for activities such as recruitment, submission of documentation, or completion/review of an ISS or IEP.

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.

Providers may not have more gift cards on hand than enrolled participants at any given time (i.e. if a program has 25 enrolled participants, no more than 25 gift cards can be on hand at once. If a program has 100 enrolled participants, no more than 100 gift cards can be on hand at a time). Partner4Work encourages providers to limit the number of gift cards stored on site when possible. Providers should maintain a consistent method for purchasing gift cards where possible (e.g. purchasing card or company credit card).

Organizations providing incentives to participants should be aware of any implications under IRS provisions. Please consult [www.irs.gov](http://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 for exceptions may be submitted to [policy@partner4work.org](mailto:policy@partner4work.org). Requests should include the following:

- The specific policy requirement for which an exception is being requested;
- A clear summary of the exception being requested and the reason for the exception; and
- For WIOA programs, the Participant ID of the participant(s) for which an exception is being requested. For non-WIOA programs, the full name of the participant(s) for which an exception is being requested; or
- The name and FEIN of the business customer for which an exception is being requested.

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: July 1, 2021**

Policy Updates

Date	Update
09/11/2020	Added process for requesting an exception to a requirement(s) of this policy.
07/01/2021	Added language on how other programs in addition to WIOA Youth and TANF Youth programs can be approved for issuing incentive

# PARTNER WORK

The Workforce Development Board for the Pittsburgh Area

	<p>payments. Added WIOA Transitional Jobs as a program approved to issue incentive payments. Clarified difference between incentives and stipends. Changed point-of-contact for requesting a policy exception. Specified that programs must receive approval from P4W before issuing incentives in their program. Increased cap to \$100.</p>
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## STIPEND POLICY

### Purpose

The purpose of this policy is to articulate how stipend payments are permitted to be provided to participants enrolled in Partner4Work funded programs.

### Affected Parties

This policy applies to participants of Partner4Work funded programs that provide stipends. Provider staff are responsible for implementing this policy.

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

The following programs are currently approved under this policy to provide stipends:

- Workforce Innovation and Opportunity Act (WIOA) Youth
- Temporary Assistance for Needy Families (TANF) Youth
- Career Pipeline (Re-Entry)
- Pathway Home (Re-Entry)

### References

- WIOA [Final Rule](#) - 20 CFR 681.640
- U.S. Office of Management & Budget (OMB), [Uniform Guidance](#), 2 CFR Part 200
- U.S. Department of Labor Wage and Hour Division, [Wages and the Fair Labor Standards Act](#)
- U.S. Department of Labor Wage and Hour Division, [Youth Employment Compliance Assistance Toolkit](#)
- U.S. Internal Revenue Service, Publication 525 (2019), [Taxable and Nontaxable Income](#)

### Definition of Key Terms

- **Incentives:** Incentive payments are awarded to participants in recognition of a measurable achievement directly tied to training activities or work experiences. Incentive payments differ from stipends, as they must be awarded in response to a specific outcome achieved (e.g. credential attainment, job placement, placement in post-secondary education) rather than time of program participation/attendance.
- **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 (e.g. credential attainment) and instead are based on program participation or attendance. Stipends are not considered income for WIOA eligibility purposes, are not required to meet minimum wage requirements, are not dispersed as payroll, and income tax is not withheld.

Stipends are not a substitute for wages. Providers should refer to applicable legislation/policies, including the Fair Labor Standards Act (FLSA), to determine when a wage must be paid to an individual(s).

Resources: The USDOL - Wage and Hour Division: [Fact Sheet #71: Internship Programs Under The Fair Labor Standards Act](#) can be used to assist in determining whether an intern vs. employee relationship exists and if a wage must be paid. The USDOL has also provided this [FLSA compliance resource](#) to assist in determining whether a student/trainee vs. employee relationship exists.

- **Wages:** A wage is generally a payment for services rendered where an employer/employee relationship exists. This form of compensation is usually paid through a payroll system and is subject to the taxes applicable to the employer of record and participants. Paying a wage usually indicates that a program views the youth as an employee or a trainee.

## Eligibility Requirements

The following are the eligibility requirements for stipends:

- Participants must be active and in good standing with a program.
- Participants must be enrolled in a training program or be actively participating in work experience.
- Participants must meet the participation or attendance requirements established in the provider's written policy for issuing stipends.

## Policy

Stipends must be provided in accordance with all federal, state, and local policies and requirements applicable to the program and/or funding stream. Each Partner4Work funded program that utilizes stipends must maintain a written stipends policy that outlines a uniform and consistent strategy for issuing stipend payments to program participants. Providers **must submit this policy** to Partner4Work for approval prior to issuing stipends for a program. Stipends must also be approved and budgeted for during the contracting process.

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

- The justification for providing stipends and the specific attendance/participation levels that must be met for the issuance of stipends;
- The amount and method of payment for the issuance of stipends; and
- The internal controls for stipend payments, including but not limited to how participation/attendance will be documented and verified, and the staff responsible for approving the issuance of a stipend.

Stipend payments must only be issued for participation/attendance in training when there is a defined curriculum and criteria for completing the curriculum. Stipends may be issued for work experience, but must not replace wages when a wage is required to be paid. Stipends must only be issued for activities aligned with the goals of the program and participant goals outlined in the individual service strategy (ISS) or individual employment plan (IEP). Stipends must be administered in a manner that ensures all participants receive equal payments for equal levels of participation/attendance. Stipends must be based on levels of program participation or attendance, as defined in the provider's stipend policy (e.g. 50% program completion or 100%



program attendance). Unlike a wage, stipends should not be based on an hourly rate. Providers are responsible for documenting participation/attendance in the activity as the basis of stipend payments.

At least three individuals must sign off to indicate that a stipend has been awarded: two staff members of the service provider, who are familiar with stipend policy requirements, and the participant receiving the stipend. The provider's written stipend policy must clearly describe this process. It is the responsibility of the service provider to maintain all records of participation/attendance (e.g. timesheets or attendance sheets) and the issuing of stipends (e.g. signed stipend approval forms). This information should be documented in the participant's case file.

Organizations providing wages or stipends to participants should be aware of any implications under IRS provisions. Please consult [www.irs.gov](http://www.irs.gov) for more information.

**Policy Exceptions:**

Under limited circumstances, Partner4Work may grant exceptions to requirements within this policy. Requests for exceptions may be submitted to [policy@partner4work.org](mailto:policy@partner4work.org). Requests should include the following:

- The specific policy requirement for which an exception is being requested;
- A clear summary of the exception being requested and the reason for the exception; and
- The full name of the participant(s) for which an exception is being requested; or
- The name and FEIN of the business customer for which an exception is being requested.

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: July 1, 2021**