



APPROVAL DATE:

10/10/12

APPROVED BY:

Carl Dudley, WIB Chair

**COUNTY OF SAN LUIS OBISPO  
DEPARTMENT OF SOCIAL SERVICES**

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**POLICY NO:** 19-08

**TO:** Service Providers

**EFFECTIVE:** July 23, 2009

**SUBJECT:** WIA/ARRA Youth Program Classroom-Based Stipends And Wages Policy

**REFERENCES:**

- Workforce Investment Act (WIA) Section 101 (46)
- American Recovery and Reinvestment Act (ARRA) of 2009
- Title 20 of the Code of Federal Regulations (CFR) 664.440
- Employment and Training Administration of the Department of Labor under Training and Employment Guidance Letter (TEGL) No. 14-08 dated 3/18/09 & Change 1 dated 4/15/09

**PURPOSE:**

The purpose of this policy is to provide guidance to San Luis Obispo County Department of Social Service (DSS) contracted Youth Service Providers on the provision of classroom-based stipends and wages for Workforce Investment Act (WIA) and American Recovery and Reinvestment Act (ARRA) youth participants.

The Employment and Training Administration of the Department of Labor under Training and Employment Guidance Letter (TEGL) No. 14-08, describes the activities allowable under the American Recovery and Reinvestment Act (ARRA) of 2009. This TEGL indicates that local Workforce Investment areas can provide stipends or wages to youth in a classroom-based component of a summer employment opportunity. Stipends and wages are currently an allowable element of WIA Title I Youth programs, but have not been implemented in San Luis Obispo County Local Workforce Investment Area (LWIA).

Classroom-based stipends and wages have proven to be an effective strategy to

engage and support the completion of defined education and work skills training activities for the population that is served with WIA/ARRA youth funds. It is anticipated that implementing this policy will further encourage and motivate WIA/ARRA enrolled youth to reach specific goals and obtain additional positive outcomes.

## **PROCEDURE:**

### **WIA/ARRA Youth Program Classroom-Based Stipends And Wages**

Classroom-based stipends are allowable to youth enrolled into the WIA/ARRA Title I Youth program and may be paid in lieu of a wage for allowable youth activities. Activities should focus on classroom instruction that supports a youth's work experience and have a specific curriculum or training objective established. Classroom-based stipends and wages are intended to be used to encourage and motivate WIA/ARRA youth to reach specific goals and obtain positive outcomes. Wages and/or stipends are based on participation in work and/or classroom instruction related to their work based activity. The employer of record must adhere to all child labor laws regarding hours of employment, working conditions, etc. For more information see the following website:

<http://www.dir.ca.gov/dlse/ChildLaborPamphlet2000.html>

#### **A. Classroom-Based Wages**

Wages are defined as direct monetary payments to enrolled participants for completed work. Service providers must have the capacity to provide direct monetary payments to youth, including hourly wages. This can be done directly by the funded agency or through partnership with another agency, including a payroll-processing agency.

#### **B. Stipends**

A stipend is defined as a fixed regular small payment made to a WIA/ARRA Youth participant during his/her enrollment to encourage the WIA/ARRA youth to participate in certain activities. The stipend can be **used** for classroom-based learning activities. Stipends may not exceed the Federal or State of California minimum wage, whichever is higher. Stipends may be paid based on actual hours of attendance and participation. Attendance and participation in the activity must be documented as the basis of stipend payments. Classroom-based stipends and wages may be paid for satisfactory attendance, participation, and completion of education and certificate attainment in any combination of the following activities:

- High school diploma, GED, or equivalent
- Occupational/technical skills training
- Pre-apprenticeship skills/trades training
- Career pathway/occupational skills training combined with work-based learning

Payment must be based on actual time of participation in the activity as documented on the attendance sheet. The participant and the instructor must sign the attendance sheet before reimbursement can be made, and maintained in the participants file. Stipends may not be awarded for on-line or virtual classroom participation. Stipends shall not be disbursed until the participant meets all stipulated requirements and contractor staff verifies the attainment of the program outcome(s).

### **Documentation**

All Youth Service Providers who provide stipends and wages as payments to participants paid for with WIA funds must ensure that their methods of payment comply with the following required tracking and documentation procedures. At a minimum, the following documentation must be maintained in the participant's file and/or the JTA reporting system:

- The participant's Individual Service Strategy (ISS) must specify the goal that must be met in order to qualify for the stipend and/or;
- The ISS must specify services that are planned in order for the youth to receive a stipend.
- Justification for payment of stipends and a description of the type of payment method and amount if applicable must be maintained in the file.
- Time sheets or attendance sheets for payments of stipends.
- Copy of high school diploma, GED or official transcripts verifying completion of a diploma or GED that includes required information for data validation.
- Copy of certificate of attainment verifying completion of occupational/technical skills or pre-apprenticeship skills/trades training.
- Test scores.
- Records of stipend payments paid for with WIA funds that are provided to participants must be maintained in accordance with record retention requirements so that the DSS is able to verify accuracy, timeliness, and record keeping by the Service Provider, as follows:
  - Youth Service Providers must document the determining factors in paying youth a stipend as opposed to a wage.
  - A worksheet showing how the payment amount was calculated must be maintained in the participant's file.
  - Duties of staff dispersing stipend payments must be separated so that no one individual has complete authority or control over an entire financial transaction. For example, the person conducting the assessment, the person processing the payment and if a payment is mailed, the person mailing out the check shall not be the same person.
- Participant records (ISS, case notes and worksheets) and contractor financial records pertaining to stipend payments must be made available for review by local, state, and federal monitors and must meet the financial management standards specified in DSS policies, including enough information to provide:
  - A comparison of actual expenditures with the budgeted amounts of each contract;

- Support for accounting records and to ensure proper charging of costs and cost allocation; and
- The ability to track funds to a level of expenditure adequate to establish that funds have not been used in violation of the applicable restrictions on the use of the funds.

Strict adherence by Service Providers to the required stipend and wage tracking and documentation procedures will help to ensure that these payments are appropriately provided to participants, as well as prevent the probability of disallowed and/or questioned costs.

**ACTION:**

The Administrative Entity for the WIB and its service providers shall follow this policy. This policy will remain in effect from the date of issuance until such time that a revision is required.

**INQUIRIES:**

Inquiries should be addressed to WIB Admin at [wibadmin@co.slo.ca.us](mailto:wibadmin@co.slo.ca.us).

**REVISION HISTORY:**

<i>DATE</i>	<i>DETAILS</i>
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