



NEIWDB Insurance Stipend Policy

Effective Date

4/7/2026

Purpose

The Northeast Iowa Workforce Development Board (NEIWDB) provides an insurance stipend to eligible employees who decline employer-sponsored health insurance. This policy establishes the requirements, methodology, and internal controls governing insurance stipends to ensure compliance with federal regulations, including 2 CFR Part 200.

Policy

1. Eligibility

- Insurance stipends are available to eligible NEIWDB staff who decline CIJDC-sponsored health insurance coverage.
- Employees must provide documentation of alternative health coverage (e.g., spouse's plan, private coverage).
- Eligibility applies consistently across all similarly classified employees.

2. Stipend Amount and Calculation Methodology

Stipend amounts are determined annually by the NEIWDB Board (or Executive Committee) during the budget process and in coordination with the Employer of Record (EOR) through the contract renewal process. The insurance stipend amount is intended to approximate the employer contribution toward health insurance coverage, ensuring the stipend remains reasonable, consistently applied, and aligned with market conditions.

Stipends may vary by position classification if documented and consistently applied. All stipend amounts must comply with 2 CFR §200.430 and be supported by appropriate documentation.

- The stipend:
 - May vary by position classification, if documented and consistently applied
 - Must be reasonable and comparable to market practices
 - Must comply with applicable federal regulations, including 2 CFR §200.430 (Compensation-Personal Services)



Local Policies – Administration and Governance

- Stipends are paid each pay period through CIJDC payroll.
- For partial pay periods (e.g. new hires, separation, unpaid leave), stipends are prorated based on hours paid as a percentage of a standard 80-hour pay period.

3. Cost Allowability and Compliance

- Insurance stipends are considered a form of compensation/fringe benefit and must:
 - Be reasonable for services rendered
 - Be consistently applied to all funding sources (federal and non-federal)
 - Be supported by written policy and documentation
 - Be properly allocated to funding sources

This policy ensures compliance with:

- 2 CFR §200.403 (Allowability of Costs)
- 2 CFR §200.430 (Compensation—Personal Services)

4. Approval and Authorization

- Stipend amounts must be:
 - Approved annually by the NEIWDB Board
 - Included in the approved budget
- Individual eligibility must be:
 - Verified by administrative/fiscal staff
 - Approved by the Executive Director or designee

5. Documentation and Recordkeeping

The following documentation must be maintained:

- Employee election to decline health insurance
- Proof of alternative coverage
- Approved stipend amount by classification
- Payroll records showing stipend payments



Local Policies – Administration and Governance

- Proration calculations (if applicable)

Records must be retained in accordance with:

- NEIWDB record retention policies
- Federal grant requirements

6. Internal Controls and Oversight

NEIWDB will implement the following internal controls:

- Supervisory approval of eligibility and stipend payments
- Fiscal review of stipend charges to funding sources
- Periodic monitoring to ensure compliance with policy and federal requirements
- Separation of duties between approval and payroll processing

7. Consistent Application

This policy applies:

- Uniformly across all eligible staff
- Across all funding sources (federal and non-federal)
- Without exception unless formally approved and documented

8. Training and Implementation

- Fiscal and administrative staff will receive training on:
 - Policy requirements
 - Documentation standards
 - Compliance expectations
- Training will be documented with attendance records