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**COUNTY OF LOS ANGELES**

Kenneth Hahn Hall of Administration  
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**INTERIM CHIEF EXECUTIVE OFFICER**

Joseph M. Nicchitta

"To Enrich Lives Through Effective and Caring Service"

May 05, 2026

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

**APPROVAL OF PROPOSED BOARD POLICY – COUNTY OF LOS ANGELES STAKEHOLDER  
INCENTIVE POLICY  
(ALL DISTRICTS AFFECTED) (3-VOTES)**

**SUBJECT**

Recommendation to approve the proposed Board of Supervisors' (Board) – County of Los Angeles (County) Stakeholder Incentive Policy (Policy). The adoption of this Policy is meant to provide clarity to departments on the role and purpose of stakeholder incentives and standardize County procedures for the provision of incentives.

**IT IS RECOMMENDED THAT THE BOARD:**

1. Adopt the Policy to set standard guidelines on eligibility criteria for stakeholders, incentive amounts, funding sources, and accounting controls to ensure accountability of funds;
2. Authorize departments to provide incentives to stakeholders in accordance with the Policy;
3. Direct departments to notify the Board when providing incentives under the Policy, including the amounts and forms of the incentives, the activities for which they will be provided, eligibility criteria to receive the incentives, and source of funds for the incentives; and
4. Find that the foregoing is necessary to meet the social needs of the population of Los Angeles County by enhancing County programs which serve the community.

## **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

On August 6, 2024, your Board adopted the motion, “Promoting the Voluntary Participation of Community Members in Prevention Initiatives,” which directed the Chief Executive Officer, in collaboration with the Auditor-Controller and County Counsel, to draft a Board policy and/or enabling ordinance for a universal Stakeholder Incentive program, consistent with the recommendations in the Chief Executive Office's (CEO) Anti-Racism, Diversity, and Inclusion (ARDI) Initiative report, dated June 26, 2024. These recommendations included: 1) adopting the recommended stakeholder incentives framework in the Los Angeles County Stakeholder Incentives Guidance; 2) strongly encouraging departments to develop clear guidelines for stakeholder incentives based on the broader County stakeholder incentives framework; and 3) developing a universal stakeholder incentives policy.

In response to the Board motion, ARDI worked with Auditor-Controller and County Counsel to develop the draft Policy for your Board's consideration.

## **Implementation of Strategic Plan Goals**

The recommended action advances all three County's Strategic Plan North Stars—making investments that transform lives, fostering vibrant and resilient communities, and realizing tomorrow's government today—by supporting stakeholder engagement activities that collect input from, and directly collaborate with, individuals and communities impacted by County initiatives and programs. These engagement efforts are foundational to advancing progress across the North Stars and ensuring County strategies are responsive to the lived experience of the communities they are designed to serve. Stakeholder engagement strengthens decision-making by ensuring policies, programs, and investments reflect the needs, priorities, and concerns of impacted communities. This contributes to more effective, equitable, and sustainable outcomes in pursuit of the County's strategic plan goals. Stakeholder incentives increase stakeholder participation by reducing barriers and facilitating the fair representation of diverse perspectives, particularly among residents most impacted by County decisions who may otherwise be unable to participate due to work, caregiving responsibilities, or transportation costs.

Additionally, the development of a stakeholder engagement incentive policy is identified in the Los Angeles County Racial Equity Strategic Plan as a key strategy necessary to achieve the Plan's goals. This strategy supports the County's commitment to centering community leadership, strengthening partnerships, and expanding inclusive participation in the design of initiatives, policy, and services. Providing stakeholder incentives also advances the County's racial equity principle of authentically engaging community residents, organizations, and stakeholders to inform and shape interventions and investments to make them community-driven and sustained.

## **FISCAL IMPACT/FINANCING**

The policy recommends basing incentives on a spectrum of stakeholder engagement activities, roles and levels of participation. Recommended amounts range from \$25 to 50 per participant for providing feedback on programs or services via a one-time survey, meeting, or focus group participation to \$10 to \$300 per participant for a more in-depth commitment and/or longer-term involvement. The Policy also proposes limiting the total amount given to each stakeholder to \$300

per activity or \$5,000 per fiscal year, unless otherwise authorized by the Board.

**FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

On January 21, 2026, staff representatives from CEO's ARDI initiative presented the proposed Policy to the Audit Committee for their review. The Audit Committee approved the draft Policy pending final adoption by your Board.

**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

The adoption of this Policy establishes clear and consistent guidelines for the provision of incentives to stakeholders. A stakeholder is defined as an individual who lives or works in Los Angeles County and voluntarily participates in County engagement activities to support, develop, partner, and/or improve the County's programs, services and/or policies. An individual is not considered a stakeholder under this Policy if they work for or are being otherwise compensated for their participation through a community-based organization or other entity contracted with the County. The Policy also excludes members of a commission, committee, or other body whose right to compensation is otherwise determined by the Board.

Respectfully submitted,



Joseph M. Nicchitta

Interim Chief Executive Officer

JMN:MC

DS:HJN:es

Enclosures

- c: Executive Office, Board of Supervisors
- County Counsel
- Auditor-Controller



*Los Angeles County*  
**BOARD OF SUPERVISORS POLICY MANUAL**

Policy #:	Title:	Effective Date:
<b>0.000</b>	<b>County of Los Angeles Stakeholder Incentive Policy</b>	<b>00/00/00</b>

**PURPOSE**

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County Stakeholder incentives assist the County in accomplishing its public responsibilities by enabling higher levels of engagement and participation that in turn lead to: 1) informed and community-aligned decision-making; 2) effective policy and program implementation; and 3) transparency, accountability and trust between the County and its constituents.

The policy establishes a Countywide standard for administering stakeholder incentives to members of the community who play an advisory, coordination, planning, or similar role in County-sponsored efforts (e.g., programs, projects, or initiatives).

**REFERENCE**

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August 6, 2024, [Promoting the Voluntary Participation of Community Members in Prevention Initiatives Board Motion](#)

June 26, 2024, [Report Back on Building Los Angeles County’s Prevention Infrastructure and the Los Angeles County Stakeholder Incentives Guidance](#)

April 2024, [Executive Office of the President Office of Management and Budget, Uniform Grants Guidance 2024 Revision: Community Engagement and Public Participation](#) (pages 5-6)

July 25, 2023, [Building Los Angeles County’s Prevention Infrastructure Board Motion](#)

[Code of Federal Regulations: 12 CFR 205.20 - Requirements for gift cards and gift certificates](#)

**POLICY**

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Stakeholder Incentives encourage participation and remove barriers that prevent a broad representation of perspectives when the County seeks the valuable input of community

members to inform the development and implementation of government policies, programs, and services.

Departments must comply with the established policy guidelines when providing Stakeholder Incentives to ensure accountability, consistency, and transparency in the disbursement of funds. This includes the development of and adherence to clear guidelines and internal policies governing the acquisition, maintenance, dispensation, and accounting of Incentives, as well as who is incentivized, for which activity, and for how much. Departments should consider the unique needs of their clients or the services they provide and refer to this policy and the [Los Angeles County Stakeholder Incentives Guidance](#) report when developing their guidelines and internal policies.

Incentives shall not be used for any purposes prohibited by laws governing the use of public funds, including but not limited to political campaigning, religious, or purely private purposes or activities.

This policy is intended as guidance for County Departments only. It does not extend to a member of a commission, committee, or other body whose right to compensation is otherwise determined by the Board. It may not be relied upon by anyone as the basis for a claim against the County for payment of an incentive, award, compensation, or any other remuneration or legal obligation for payment of County funds.

This policy may be modified or terminated by the County at any time without prior notice.

## DEFINITIONS

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**Stakeholder(s):** An individual who lives or works in Los Angeles County (County) and voluntarily participates in County engagement activities for purposes of supporting, developing, partnering, and/or improving the County's programs, services and/or policies. An individual is not considered a stakeholder under the Stakeholder Incentives Policy if they work for or are being otherwise compensated for their participation through a community-based organization or other entity contracted with the County.

**Stakeholder Engagement:** A spectrum of County department activities that involve the collection of input from—or direct collaboration with—impacted individuals and communities to ensure diverse perspectives are represented and considered when developing meaningful solutions to issues. (adopted from Community Engagement 101: Understand the Impact of Public Consultation).

**Stakeholder Incentives (also referred to as "Incentives"):** An item with monetary value that is provided to a Stakeholder who participates in Stakeholder Engagement activities for which a department approves providing an incentive in compliance with this policy. Incentives can include, but are not limited to, monetary payment, gift cards, entry into opportunity drawings, and/or material goods. Translation/interpretation services, refreshments, travel reimbursement, and childcare services shall **not** be considered Incentives. Translation/interpretation services must be offered and provided when requested, while refreshments, travel reimbursement, and childcare are considered facilitators of engagement and provided whenever possible.

Departments: For purposes of this policy, "Department" shall mean any entity of the County.

Additional guidance and references for implementing Stakeholder Incentives are contained in the [Report Back on Building Los Angeles County's Prevention Infrastructure and the Los Angeles County Stakeholder Incentives Guidance](#) and the [Code of Federal Regulations: 12 CFR 205.20 - Requirements for gift cards and gift certificates](#).

## GENERAL GUIDELINES

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### Eligibility

Stakeholder Incentives eligibility criteria are as follows:

1. Stakeholders must live or work in Los Angeles County at the time the Stakeholder Incentive is earned by the Stakeholder, as determined by the Department sponsoring the Stakeholder Engagement activity. A vetting or application process should be used when applicable.
  - a. Parental/guardian permission for participation is required for Stakeholders who are under 18 years of age.
2. Stakeholders must meet all additional requirements for participation set forth by the sponsoring Department to receive the Stakeholder Incentive.
3. Participation should be completely voluntary, including the decision to attend any events/meetings, and outside the scope of Stakeholders' paid employment. The County should not provide Stakeholders with a County email address, any County property (e.g., telephones, computers), or access to any County financial accounts, funds or confidential information.
4. Stakeholder responsibilities as part of their participation are limited to a consultative role. Stakeholders must not be granted any decision-making authority on behalf of the County and cannot be delegated any duties that replace the regular responsibilities of County employees.
5. Stakeholders are ineligible for Incentives if they:
  - a. Are a current County employee or LACERA retiree.
  - b. Have a conflict of interest under the Political Reform Act, Government Code section 1090, or other applicable legal authority or policy.
  - c. Have worked 200 hours or more in a year under this policy.

### Incentive Amounts

incentives are based on a spectrum of Stakeholder Engagement activities, roles and levels of participation. They should be consistent with the Stakeholder Incentives Framework contained in the [Report Back on Building Los Angeles County's Prevention Infrastructure and the Los Angeles County Stakeholder Incentives Guidance](#).

1. The spectrum of stakeholder engagement activities and their corresponding recommended incentive amounts include, but are not limited to:
  - a. Consultation. Department invites feedback on new programs or services. Examples: surveys, meetings, focus group participation. Incentives for consultation should be in the form of gift cards. The recommended incentive amount is \$25-50 per participant per activity.
  - b. Involvement. Department may engage Stakeholders at any stage – or multiple stages – of its planning process to inform decision making. e.g., workshops. Incentives should be in the form of gift cards or direct payment. The recommended incentive amount is \$10-\$300 per participant per activity.
  - c. Collaboration. Department enables Stakeholders to provide input and planning for new programs or services. Examples: Community advisory committees, consensus building, input on recommendations to the Board or Departments. Incentives for collaboration should be in the form of gift cards or direct payment. The recommended incentive amount is \$10-\$300 per participant per activity.
2. The total amount to be provided to each Stakeholder shall not exceed \$300 per activity or \$5,000 per fiscal year, unless otherwise authorized by the Board.
3. Incentives are not recommended when the purpose of the activity is only to provide information to Stakeholders (e.g., a Town Hall setting).

## Funding Sources

Departments should proactively identify a funding source to provide Stakeholder Incentives. Departments must create financial controls to ensure accountability for how the Stakeholder Incentives are used, appropriately disbursed to Stakeholders, and tracked. Departments must develop internal policies governing the acquisition, maintenance, dispensation, and accounting of Stakeholder Incentives in accordance with this policy. Below are recommended guidelines for Departments to consider.

1. If the ability to procure funds for Incentives is not secured, be transparent with Stakeholders from the very beginning to manage expectations.
2. Include Stakeholder Incentives in budget requests and when writing grants at the federal, State, and local level.
3. Determine if the funding source(s) allows for Stakeholder Incentives:
  - a. The White House Office of Management and Budget (OMB) released the [Uniform Grants Guidance 2024 Revision: Community Engagement and Public Participation](#), which clarifies that the existing guidance allows the use of Federal funds for community engagement-related activities, as long as they are applicable to the Federal award. The language makes clear that allowable costs include many types of expenditures such as staff, materials, contractors, sub-grants, and other expenses that facilitate community engagement throughout the full program life cycle from planning to

implementation and closeout. However, it is recommended to seek prior approval for Stakeholder Incentives from the funding agency.

4. Write Stakeholder Incentives into the scope of work with contracted partners, both when requesting money and when working with contracted partners for their work.
5. Explore philanthropic support as a source of funding for Stakeholder Incentives. However, one-time funding may not be sustainable for an ongoing community Stakeholder initiative.
6. If appropriate, use a fiscal sponsor to accept outside funds and pay Stakeholders.
7. Appoint an individual from within the Department or create a committee that will oversee determining and authorizing which programs receive funding for Incentives, criteria for funding, etc.

## Implementation

The provision of Stakeholder Incentives requires strict accounting controls to ensure accountability of funds. Departments must ensure compliance with applicable reporting obligations arising from the provision of Stakeholder Incentives.

The following procedures must be included in Department practices.

1. Develop a procedure to reasonably confirm Stakeholders' eligibility for incentives.
2. Consult with the Department's internal Audit-Compliance unit and County Counsel regarding Incentive methods.
3. If using gift cards, ensure there is a method and manner of securely storing the cards and tracking authorization, possession, and transfer.
4. Comply with applicable tax reporting requirements and track Incentives provided to Stakeholders to ensure that 1099s are issued, as appropriate.
5. Inform Stakeholders that their eligibility for public benefits may be impacted by receiving Incentives (in various forms) from the County, and they are solely responsible for determining any such impact.
6. Require Stakeholders to sign an attestation acknowledging that there may be tax and/or public benefit consequences of receiving Incentives and that they understand they are not County employees.
7. Keep accurate and transparent records, especially when Incentives are based on criteria like attendance. For example, in follow up meeting notes, list the people who were present/absent, who received an incentive, and their contact information (email and/or telephone number).
8. Do not provide bonus/extra Incentives after the Stakeholders' participation has ended.

In addition to these policy guidelines, Departments must develop internal policies and clear guidance based on, and with more specificity than, this policy and the [Los Angeles County Stakeholder Incentives Guidance](#). In their development, Departments must consult with County Counsel regarding who is incentivized, for which activity, and for how much. This will further support the accountability, consistency, and transparency in the disbursement of public funds.

**RESPONSIBLE DEPARTMENT**

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Chief Executive Office

**DATE ISSUED/SUNSET DATE**

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**Issue Date: January 1, 2026**

**Sunset Date: December 31, 2028**