

# Incumbent Worker/On the Job Training Grant Procedures and Application Requirements

## ***Business Eligibility Criteria:***

In order for a business to qualify for an Incumbent Worker Training (IWT) or On the Job Training (OJT) grant, it must meet all the following criteria:

- Grantee must be classified as a Tennessee for-profit business (or a not-for-profit business in health care)
- Must be in operation for at least one year
- Must employ at least five full-time employees
- Must be current on all local, state, and federal tax obligations
- Must be a financially viable business not currently in, nor expecting to file for, bankruptcy
- Must not appear on any federal suspensions or debarment list.
- Be in an in-demand or in-balance industry as determined by the LWDB or be in a declining industry with reasons justifying eligibility for a CBG.
- Current in unemployment insurance and workers' compensation, taxes, penalties, interest and are up to date on all fees, fines, local, state and federal taxes.
- Must not have filed bankruptcy in the past 12 months.

## ***IWT/OJT Eligibility Criteria:***

The following factors should be considered when determining the eligibility of businesses to receive IWT/OJT funds to provide training:

- The characteristics of the workers to be trained. Consideration should be given to employers who propose to train individuals with barriers to employment as defined in WIOA Section 3(24).
- The benefit to the workers in regards to retention, advancement or increase in wages.
- The training should allow the participant to gain industry experience leading to recognized credentials and/or an increase in wages.
- The number of participants the employer plans to train.
- The training should be considered in-demand for that industry
- The business is in distressed areas.

Each of the above considerations should be documented and placed in the contract file.

## ***Costs That May Qualify for Reimbursement:***

Grant funding may reimburse all or part of the costs (provided that the employer has proper documentation) of training eligible employees.

### **Reimbursable Training Expenses**

- Instructors/trainers salaries capped at actual amount or \$50/hour if company trainers are used (whichever is less)
- Curriculum development not to exceed 5% of total State obligation (curriculum development is defined as the time necessary for company officials to determine training needs or the actual development of curriculum)
- Textbooks and manuals
- Materials and supplies
- Tuition expense (tuition is defined as instruction provided by an institution regulated by the Tennessee Higher Education Commission)

### **Non-Reimbursable Costs**

- Trainee's wages (IWT only)
- Purchases of capital equipment

## ***Employer Share of Training Costs:***

Employers participating in worker training are required to pay the non-WIOA (non-federal) share of the cost to provide training to their incumbent workers (WIOA Sections 134(d)(4)(C)-(D) and 20 CFR 680.820).

### **The employer share is based on the size of the workforce as follows:**

- At least 10% of the cost for employers with 50 or fewer employees
- At least 25% of the cost for employers with 51 to 100 employees
- At least 50% of the cost for employers with more than 100 employees

Employer cost share contributions must be tracked and documented in the contract file. Wages paid to the participant while in training can be included as part of those contributions, which can then be provided as cash or in-kind that is fairly evaluated. In addition, the methodologies for determining the value of in-kind contributions must be documented in the contract file and conform to cost sharing requirements at 2 CFR 200.306.

### ***Incumbent Worker Eligibility Criteria:***

- A U.S. citizen or individual legally entitled to work in the U.S.
- Age 18 or older
- Registered for the Selective Service unless an exception is justified (Selective Service requires registration of all males who are 18 or older and born on or after January 1, 1960)
- Employed
- Meet the Fair Standards Act requirements for an employer-employee relationship (Information regarding this requirement can be found at <http://www.dol.gov/whd>)
- Have an established employment history with the employer receiving the grant for six (6) months or more.

### ***Grant Award Considerations:***

- Will the training be associated with an in-demand occupation?
- Will the training provide a skills upgrade?
- Will the training create new jobs?
- Will the training save jobs or prevent layoffs?
- Will the training improve the long-term wage level of the trainees?
- Will the training improve the short-term wage level of the trainees?
- Will the training provide a certification?
- Will the training provide or enhance process improvement for the business?
- Is the business within a designated distressed/rural area?

### ***Grant Activities & Grantee/Applicant Requirements: Training Services***

- All training must be completed by the last day of the specific program period. All programs should be completed no later than the date specified in the grant contract. All training should have specific start and end dates.
- Training can be provided through Tennessee's public or private educational institutions, private training organizations, trainers employed by the business, or a combination thereof.
- Training can be conducted at the business's location, the training provider's facility, or at a combination of sites.

### ***Grant Awards Requirements***

- Businesses approved for funds must enter into a contract with their LWDA. The contract commits the business to complete the training as proposed in its application, as well as maintaining compliance with all applicable local, state, and federal laws.

- Approved budget items are reimbursed upon presentation of adequate documentation of the training and evidence that the training expense incurred has been paid.
- Businesses must submit monthly reimbursement requests, or in the manner agreed upon between the LWDA and company in the contract, with required support documentation presented to their LWDA representative.
- Businesses will keep accurate records of the project implementation process and certify that all information provided, for the purpose of requesting reimbursements and reporting training activity, is accurate and true.
- Businesses approved for funds must complete a monthly status report to be filled out online. (Link)
- Any other contract provisions established by the LWDA.

### ***Project Completion***

- All grant projects shall be performance based with specific measurable performance outcomes including:
  1. Completion of the training project
  2. Number of employees trained
  3. Beginning and ending wages of trainees
  4. Customer satisfaction
- Final payment for businesses receiving grants will be withheld until the final report is submitted and all performance criteria specified in the grant have been achieved.
- Businesses shall provide sufficient documentation (including proof of eligibility to work in the United States) to the LWDA for identification of all employee participants for calculation of performance measures required by WIOA, and for any other outcomes deemed pertinent to the grant administrator.
- When an IWT/OJT award is made it is for the completion of specific training components. If the company does not complete those training components by the end of the contract period, its final reimbursement will be pro-rated to bring its total reimbursement for the project in line with the actual training components completed.

CBG TRAINING PROGRAM SCORE CRITERIA		
Company Name:		
Local Workforce Development Area:		
A. REQUIRED INFORMATION		
Does the application contain original signatures and dates throughout?	YES	NO
Minimum 1 year in business?	YES	NO
For-profit (Not-for-profit health care only)?	YES	NO
Actual start and end dates?	YES	NO
Shows grant request amount?	YES	NO
Below \$25,000?	YES	NO
Demonstrates employer match?	YES	NO
Minimum of 5 full time employees?	YES	NO
Budget calculations correct?	YES	NO
Number of trainees?	YES	NO
Current on all Tennessee taxes?	YES	NO
Federal ID number shown?	YES	NO
TN sales tax number shown (if applicable)?	YES	NO
Unemployment insurance ID number shown?	YES	NO
NAICS code shown?	YES	NO
Number of training hours?	YES	NO
Cost of instruction and/or training?	YES	NO
Training provider information?	YES	NO
<i>If answered "Yes" to all the above questions (Except #6) award 25 points and Continue</i>		Score

B. DESIRED OUTCOME		
	VALUE	SCORE
Prevent relocation	5	
Skills attainment/process improvement	10	
Will create new jobs	5	
Will improve short-term wages	5	
Will improve long-term wages	5	
Will result in certification	5	
Training in a demand occupation	5	
Will save jobs	5	
Skills upgrade	5	
<b>TOTAL</b>	<b>50</b>	

## Appendix A | Scoring Sheet

C. TRAINING PLAN		
	VALUE	SCORE
Provide a detailed training plan that includes: actual State and completion dates, type of training, training provider, number of full-time employees to be trained, total number of employees, number of training hours, cost of instruction and training, etc.	25	

D. SPECIAL POINTS		
	VALUE	SCORE
Utilize Local Career Center services	5	
Utilize LWDA to provide technical assistance	5	
Two or more training-provider cost estimates (if applicable)	5	
<b>TOTAL</b>	<b>15</b>	

EVALUATION SCORE		
	VALUE	SCORE
A. Required Information	25	
B. Desired Outcomes	50	
C. Training Plan	25	
D. Special Points (IE. Distressed County)	15	
<b>TOTAL POSSIBLE SCORE</b>	<b>115</b>	

Proposal must score at least 80 to be eligible for grant.

Reviewer Signature: \_\_\_\_\_

Date: \_\_\_\_\_

INCUMBENT WORKER TRAINING/ON THE JOB TRAINING APPLICATION			
SECTION 1: COMPANY INFORMATION			
Company Name:			
Employer's Federal ID:			
Current address:			
City:	State:	ZIP Code:	
Phone:	Ext:	Fax:	
Company Contact:			Title:
Date of Inception:			
Total FT employees at this location:			How long?
Legal Structure of Business	Drop down		
TN Sales Tax ID:	Unemployment Insurance ID:	Primary NAICS Codes:	
Is your company current on all Tennessee tax obligations?	Yes	No	
Did your Company receive an IWT grant in 2017?	Yes	No	
If yes, how much was the award?	\$		
Total estimate amount your company will spend on training in 2018:	\$		
Is your company union affiliated?	Yes	No	
If yes have they approved this application	Yes	No	
Brief description of your business product(s) and or services:			
Amount of grant request:		# FT employees to be trained:	
<i>Following information to be completed by the Local Workforce Development Area</i>			
LWDA:		Contact Name:	
Start Date: <i>To be determined by the local contract begin date</i>		End Date:	





**SECTION 3: TRAINING PROGRAM BUDGET**

Note: Training funds cannot be used to reimburse any training costs incurred before the grant is approved. Please take this into account when developing your budget and timeline.

A. Budget Category	B. Assistance Requested	C. Employer Match 50% of total in Column B	D. Total (B + C)
1. Instructor Wages/Tuition (Tuition defined as being provided by an institution regulated by the Tennessee Higher Education Commission.)			
2. Curriculum Development (Defined as the time necessary for company officials or training institution - to determine training needs, not to exceed 5% of column B total)			
3. Materials/Supplies/Textbooks (itemize)			
4. Training Equipment Purchase (Can be an employer contribution)	CANNOT FUND		
5. Travel, Food, Lodging (Can be an employer contribution)	CANNOT FUND		
6. Trainee Wages (including benefits) (Can be an employer contribution)	CANNOT FUND		
7. TOTALS			

**IWT COST PER TRAINEE**

(Line 7 Column B divided by Number of Trainees) =

\* The employer must match at least 50% of the IWT assistance request to receive an Incumbent Worker Training Grant award. Examples of employer contribution include, but are not limited to expenses associated with: Instruction/tuition; materials/supplies; the use of space and equipment during the training project (please show calculation used to assign a \$ value); and trainees' wages (including benefits) of employees during training. When requesting reimbursement the applicant must provide proof of 50% match.

NOTE: Any modifications to the budget after approval will have to be re-authorized. All IWT contracts are based on cost reimbursement principles.

SECTION 4: DESIRED OUTCOMES OF THE TRAINING PROJECT			
Please check the boxes that apply to the desired outcomes of the proposed training project.			
Attach a brief description about how each desired outcome marked below will be achieved through the training project.			
	Will upgrade skills		Will provide a certification
	Will provide process improvement		Will improve the long term wage levels of trainees
	Will help to prevent layoffs Jobs saved #		Will improve the short term wage levels of trainees
	Will train in a demand occupation		Will create new jobs, #

GRANT AWARDS
<ul style="list-style-type: none"> <li>A business approved for funds enters into a contract with the Local Workforce Development Area through the Tennessee Department of Labor and Workforce Development which commits the business to complete the training project as proposed in the application.</li> </ul>
<ul style="list-style-type: none"> <li>Approved budget items are reimbursed upon presentation of adequate documentation of the training and upon evidence that the training expense incurred has been paid.</li> </ul>
<ul style="list-style-type: none"> <li>Businesses provide a matching contribution to the training project. Businesses will be required to provide a minimum of 50% of the requested training costs up to \$12,500 if the grant is \$25,000.</li> </ul>
<ul style="list-style-type: none"> <li>Businesses will keep accurate records of the project's implementation process and certify that all information provided for the purpose of requesting reimbursements and reporting training activity is accurate and true.</li> </ul>
<ul style="list-style-type: none"> <li>Businesses submit reimbursement requests with required support documentation.</li> </ul>

PROJECT COMPLETION
<ul style="list-style-type: none"> <li>All grant projects shall be performance based with specific measurable performance outcomes – including: the completion of the training project, number of employees trained, beginning and ending wages of trainees, customer satisfaction, and six-month retention (when appropriate).</li> </ul>
<ul style="list-style-type: none"> <li>Final payment for businesses receiving IWT Grants will be withheld until the final report is submitted and all performance criteria specified in the grant have been achieved.</li> </ul>
<ul style="list-style-type: none"> <li>Businesses shall provide sufficient documentation to the Local Workforce Development Area for identification of all employee participants for calculation of performance measures required by WIOA, and for any other outcomes deemed pertinent to the grant administrator.</li> </ul>

SECTION 5: CERTIFICATION BY AUTHORIZED REPRESENTATIVE
<b>[NOTE: THE INDIVIDUAL SIGNING THE APPLICATION BELOW MUST HAVE THE AUTHORITY TO ENTER INTO CONTRACTS ON BEHALF OF THE APPLYING COMPANY/ORGANIZATION.]</b>
As an authorized representative of the company listed on this application, I hereby certify that the provided information on this application is true and accurate. I am aware that any false information or intended omissions may subject me to civil or criminal penalties for the filing of false public records and/or forfeiture of any training award approved through this program.

COMPANY/ORGANIZATION NAME:			
Signature:		Title:	
Print Name:		Date:	