



Incumbent Worker Training

Procedures and Application Requirements

Business Eligibility Criteria:

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

- 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 local workforce development board
- 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

Incumbent Worker Training Criteria:

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

- The characteristics of the individuals in the program (e.g. individuals with barriers to employment)
- 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 county

Costs That May Qualify for Reimbursement:

Grant funds may reimburse all or part of the costs for training provided that the employer has proper documentation of trained eligible employees.

Reimbursable Training Expenses

- Instructor's or trainer's salary capped at the actual amount or \$50 per hour if company trainers are used whichever is less
- Curriculum development not to exceed 5% of total training cost. Curriculum development is defined as the time necessary for company management to determine training needs or the actual development of curriculum
- Textbooks, manuals, software, etc.
- Materials and supplies
- Tuition expense: tuition is defined as instruction provided by an institution regulated by the Tennessee Higher Education Commission

Non-Reimbursable Costs

- Trainees' wages
- Purchase of capital equipment
- Travel costs such as lodging, food, etc.

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 the matching 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 Requirements:

- 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 full-time
- 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 and Requirements:

- Will the training be associated with an in-demand occupation?
- Will the training provide a skills upgrade?
- Will the training create new jobs, save jobs, or prevent layoffs?
- Will the training increase employment opportunities for active recovery or returning (reentry) individuals?
- 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 result in an industry-recognized certification, license, or other credential ?
- Will the training result in or enhance process improvement for the business?
- Is the business within a designated distressed county?

Grant Activities & 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 the Southeast Tennessee Development District, the fiscal administrator for the U.S. Department of Labor funds. The contract commits the business to complete the training as proposed in the 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 has been paid. Expenses that are not included in the approved application will not be reimbursed.
- Businesses must submit monthly reimbursement requests or the reimbursement requests must be submitted in the manner according to the contract with all required support documentation presented to the board administrative staff.
- 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 submit a brief monthly status report. The status report must indicate the type of training offered/completed and the number of trainees in training.
- Any other contract provisions established by the board staff.

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 board administrative staff 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 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.

ATTACHMENT II

Appendix B | Application

Incumbent Worker Training Grant Application			
SECTION 1: COMPANY INFORMATION			
Company Name:			
Employer's Federal ID:		UEI #	
Current address:		County:	
City:	State:	ZIP Code:	
Phone:	Ext:	Fax:	
Company Contact:		Title:	
Date company started:		Company Contact e-mail:	
Total FT employees at this location:	How long has company been in business?		
Legal Structure of Business	Unemployment Insurance ID #:		
TN Sales Tax ID:		Primary NAICS Codes:	
Is your company current on all Tennessee tax obligations?		Yes	No
When did you last receive an Incumbent Worker Training Grant		Yes	No
If yes, how much was the award?		\$	
Total estimated amount your company will spend on training in the most recent fiscal year?		\$	
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:		# Full Time employees to be trained:	
The following information will be completed by the Southeast Tennessee Local Workforce Development Area board staff			
LWDA: Southeast Tennessee Local Workforce Development Area		Contact : Michele Holt - mholt@sedev.org	
Contract Start Date:		Contract End Date:	

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Incumbent Worker Training Grant Application
Additional Employer Information and Monthly Reporting Requirements

Name of Company:

ADDITIONAL EMPLOYER INFORMATION

1. Is the applicant classified as a Tennessee for-profit business YES ☐ NO ☐
2. If not, is the applicant a not-for-profit business in health care? YES ☐ NO ☐
3. Has the applicant been in operation for at least one year? YES ☐ NO ☐
4. Does the applicant employ at least five full-time employees? YES ☐ NO ☐
5. Is the applicant a financially viable business not currently in or
expecting to file for bankruptcy? YES NO
6. Has the applicant filed bankruptcy in the past 12 months? YES No ☐
7. Does the applicant appear on any federal suspensions or debarment list?
YES ☐ NO ☐
8. Is the applicant current in unemployment insurance and workers' compensation,
taxes, penalties, interest and are up to date on all fees, fines, local, and federal taxes?
YES ☐ NO ☐

MONTHLY REPORTING REQUIREMENTS

All grant applicants that are approved and awarded must send to the workforce board administrative staff monthly reports no later than the 5th of the month until the training is complete. The monthly report form should be very brief. When the training is completed, please indicate in the report that you are submitting a FINAL report.

Company Representative Name

Date

SECTION 2: SKILLS UPGRADE/COMPONENT #1		
The training Provider(s) will be:		
Training will be delivered (e.g. location, classroom)		
COURSE INFORMATION		
Course Title:		
Training Schedule (#hours of training):		
Training Start:		Training End Dates:
Number of Trainees for Component:		Training Location:
Component Cost:		Component Cost Charged to Grant:
PROVIDER INFORMATION		
Name of Provider:		
Training Provider Contact Name:		Title:
Address:		
City:	State:	ZIP Code:
Email Address:		
PLEASE PROVIDE THE INFORMATION REQUESTED IN ITEMS 1-2 BELOW. THE FORM WILL EXPAND AS TEXT IS INSERTED.		
1a. Please provide a list of all competencies and certifications/licenses/credentials the participants will obtain.		
1b. Additionally, please explain the wage increase(s) that will occur during the training timeline-(e.g. frequency, amount or % of increase).		
2. How will this training component directly contribute to improving or upgrading skills of the incumbent worker and improve efficiencies or quality in a way that makes the company more competitive?		

SECTION 2: SKILLS UPGRADE/COMPONENT #2					
The training Provider(s) will be:					
Training will be delivered (e.g. location, classroom)					
COURSE INFORMATION					
Course Title:					
Training Schedule (#hours of training):					
Training Start:			Training End Dates:		
Number of Trainees for Component:			Training Location:		
Component Cost:			Component Cost Charged to Grant:		
PROVIDER INFORMATION					
Name of Provider:					
Training Provider Contact Name:				Title:	
Address:					
City:		State:		ZIP Code:	
Email Address:					
PLEASE PROVIDE THE INFORMATION REQUESTED IN ITEMS 1-2 BELOW. THE FORM WILL EXPAND AS TEXT IS INSERTED.					
1a. Please provide a list of all competencies and certifications/licenses/credentials the participants will obtain.					
1b. Additionally, please explain the wage increase(s) that will occur during the training time line-(e.g. frequency, amount or % of increase).					
2. How will this training component directly contribute to improving or upgrading skills of the incumbent worker and improve efficiencies or quality in a way that makes the company more competitive?					

SECTION 2: SKILLS UPGRADE/COMPONENT #3			
The training Provider(s) will be:			
Training will be delivered (e.g. location, classroom)			
COURSE INFORMATION			
Course Title:			
Training Schedule (#hours of training):			
Training Start:		Training End Dates:	
Number of Trainees for Component:		Training Location:	
Component Cost:		Component Cost Charged to Grant:	
PROVIDER INFORMATION			
Name of Provider:			
Training Provider Contact Name:			Title:
Address:			
City:		State:	ZIP Code:
Email Address:			
PLEASE PROVIDE THE INFORMATION REQUESTED IN ITEMS 1-2 BELOW. THE FORM WILL EXPAND AS TEXT IS INSERTED.			
1. Please provide a list of all competencies and certifications/licenses/credentials the participants will obtain.			
1b. Additionally, please explain the wage increase(s) that will occur during the training time line-(e.g. frequency, amount or % of increase).			
2. How will this training component directly contribute to improving or upgrading skills of the incumbent worker and improve efficiencies or quality in a way that makes the company more competitive?			

SECTION 3: TRAINING PROGRAM BUDGET			
NOTE: Training funds cannot be used to reimburse any training costs incurred BEFORE the application is approved and the contract is signed and executed. Please take this into account when developing your budget and timeline.			
A. Budget Category	B. Assistance Requested	C. *Employer Match 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) =

* Depending on the number of employees, the employer must match at least 10%, 25% or 50% of grant amount in order to receive an IWT grant. Examples of employer matching contribution include, but are not limited to expenses associated with instruction, tuition, materials/supplies, equipment cost, cost of using space for equipment during training (show calculation used to assign value), and trainees' wages including benefits of the trainees during training. When requesting reimbursement, the employer/grantee must provide proof of the 10%, 25% or 50% match based on the number of employees at the worksite(s).

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	
Check all of the boxes that apply to the DESIRED OUTCOMES of the proposed training project.	
Attach a brief description of how the DESIRED OUTCOMES marked below will be achieved through the training project.	
Results in an industry-recognized certification/credential	
Results in skills attainment and process improvement	
Will create new jobs, save existing jobs, prevent layoffs or company relocation	Number of jobs created/saved =
Will improve the short-term wages of trainees as result of training	
Will improve the long-term wages of trainees as result of training	

GRANT AWARDS
A business approved for funds enters into a contract with the Southeast Tennessee Development District, the fiscal administrator for the federal funding for IWT grants, and as such, commits the business to complete the training project as proposed in the application.
Approved budget items are approved upon presentation of adequate documentation of the training and upon evidence that the training expense incurred and has been paid.
Businesses must provide matching contributions to the training project. Contribution amounts are determined by the number of full-time employees at the worksite. Businesses with 50 or fewer employers must match 10% of the total grant amount; businesses with 51 to 100 employees must match 25% of the total grant amount; and businesses with more than 100 employees must match 50% of the grant amount.
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.
Businesses submit reimbursement requests with required support documentation.

PROJECT COMPLETION
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 applicable.
Final reimbursement payment for IWT grant recipients will be withheld until all documentation and final report are submitted and all performance criteria specified in the grant have been achieved.
Businesses shall provide sufficient documentation to the board administrative staff for identification of all employee participants for calculation of performance measures required by WIOA and for any other outcomes deemed pertinent to the administrative board staff.

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

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