

INCUMBENT WORKER TRAINING GRANT PROGRAM GUIDELINES

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Governor's Workforce Board RI

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1. PROGRAM OVERVIEW

In today's economy, employers often need to train and re-train their current workers in order to remain competitive. When workers lack necessary skills; an employer's ability to expand and grow may be compromised. The Governor's Workforce Board Incumbent Worker Training Grant (IWTG) Program, funded by the state Job Development Fund,¹ addresses this issue. The IWTG Program was created for the purpose of providing grant funding for continuing education, training, and upskilling of incumbent employees at existing Rhode Island employers. The program provides matching reimbursement grants of up to 50% to employers that pay for preapproved, direct, training-related costs. Grants are available up to \$50,000.00 and are capped at a per-trainee amount of \$3,500.00.

Encouraging Rhode Island employers to invest in their workforce enhances the overall competitiveness of the Rhode Island economy will delivering transferable skills to their employees which increases their earning potential and employability. Analysis of a similar Incumbent Worker Training program in Massachusetts by the W.E. Upjohn Institute for Employment Research² found that the return on the investment in incumbent worker training was:

- 5.4% for the employees trained
- 16.6% for the employer who conducted the training
- 38.9% for the state

2. AVAILABLE FUNDING AND MAXIMUM AWARD AMOUNTS

Applications are reviewed on a first-come/first-served basis until available funding has been awarded. A notification will be posted on the Governor's Workforce Board (GWB) website when funds are no longer available.

For the fiscal year beginning July 1, 2017, the maximum amount is **\$50,000 per employer per year**. If an employer has more than one location in the state of Rhode Island, they are treated as either one employer or separate employers depending upon the FEIN number(s). If the locations operate under different FEIN numbers, they will be considered separate employers that will need to submit separate applications and receive separate awards. If the locations operate under one FEIN number, then they will be considered one employer and will therefore need to join their training efforts, submit one application and receive one award.

SUMMARY

- Up to \$50,000 in matching grant funds over a 12 month period
- No more than two (2) grants in a 12 month period.
- No less than 50% employer match required
- Per trainee cap of \$3,500

¹ RIGL Chapter 28-42 establishes the Job Development Fund - a 0.21 percent assessment of employers' payroll tax, used to strategically invest in employment, training, education and economic development initiatives. The Job Development Fund is administered by the Governor's Workforce Board.

² http://research.upjohn.org/cgi/viewcontent.cgi?article=1000&context=up_policypapers

For the fiscal year beginning July 1, 2017, the GWB will be applying a cost reasonableness standard set at **\$3,500 per individual trainee**. This cap is applied to the amount of matching grant funds (i.e. A employer may conduct training that costs \$10,000 per trainee; however the maximum grant contribution toward that training will be limited to \$3,500).

Employers may apply for **no more than two (2) grants within a twelve-month period** and are therefore encouraged to include multiple trainings in a single application to maximize available assistance.

3. INCUMBENT WORKER DEFINITION

For the purposes of the IWTG program, an Incumbent Worker is defined as:

- A citizen of the United States or a non-citizen whose status permits employment in the United States, and;
- A paid employee of the employer, or a person working for the employer as a staffing agency employee, working at least 30 hours per week and receives a W-2, and;
- At least 18 years of age, and;
- Has an established employment history with the employer for three months or more.

4. ALLOWABLE TRAINING DEFINITION

For the purposes of the IWTG program, Allowable Training is defined as training or educational activities that demonstrate a clear and distinct benefit to both employer and employee in terms of increased wages, productivity, competitiveness and/or skill attainment. To be approved, the training described in the application must demonstrate **at least one** of the following:

- The employer has identified new or changing local, state, federal, or international regulations or standards that require a change in technology, process, software, waste reduction, energy conservation, etc.
- The employer has identified changing skill requirements or expectations as a result of external economic or market forces, significant changes in operating processes, rapidly changing industry or occupational job requirements; new technologies; or emergence of new products/competitors.
- The employer has identified new or potential market opportunities that may become available as a result of the skills acquired through training.
- The employee(s) will receive an industry recognized credential/certification that is transferable should they ever separate from the employer.

An **industry recognized credential/certification** is a verification of an individual's qualification or competence issued by a third party with the relevant authority to issue such credentials which is recognized by multiple employers across an industry. Examples include an ISO Certification, MS Office Certification, Food Safety Certification, OSHA Certificates, Certified Electronic Health Records Management, etc.

5. EMPLOYER ELIGIBILITY

All Rhode Island for-profit and non-profit organizations that currently contribute to the **Job Development Fund (JDF)** and are up-to-date on all tax obligations are eligible for the IWTG program. Labor organizations, trade organizations or consortia of employers may apply collectively to the program provided ALL participating members contribute to the JDF.

Potential applicants must be in good standing with all divisions of the Department of Labor and Training and must not be debarred from contracting with an agency that administers federal funds. Federal, state, county, or city governmental entities are not eligible; however, this does not include schools, universities, and colleges provided they are otherwise eligible.

6. APPLICATION PROCESS

The IWTG Program Application must be completed on-line. The on-line application is the only document that may be used to apply for an IWT grant. The application can be accessed through the GWB website and is also linked [here](#).

Reimbursable training activities cannot begin until an application has been approved. For this reason, employers are required to submit their application at least 30 calendar days prior to the desired start of training.

- Up to 10 trainings can be submitted in one online application; any employer submitting more than 10 individual trainings is asked to email the GWB.
- Employers must provide identifying information; describe the training, the provider, the content and the use to the organization; and provide relevant training documents as well as the employer W9 tax form (which provides the GWB with the necessary tax identification number to check employer status)
- Submitted applications are sent directly to the GWBINFO mail box and senders will receive an automatically generated response indicating that the application was successfully submitted
- Internal program staff apply the Review Criteria (see section 7) to determine:
 - Is the employer eligible?
 - Is the training allowable?
 - Is the cost reasonable?
- If approved; employer taxation information is sent to the Division of Taxation to determine that they pay into the JDF (an answer is usually received within a day or two) and employer information is queried with the Department of Labor and Training to ensure there are no outstanding issues.
- Once due diligence is complete, program staff will notify the employer of next steps.

TIPS FOR COMPLETING THE IWTG APPLICATION

- **Fully review Section 4 of these Program Guidelines.** When asked to describe the impact that training will have on your organization; the application will be approved or denied based on the degree to which you satisfy the criteria in section four.
- **Be concise but thorough.** While there is no desired length for each answer; program staff, and potential auditors, should have a full picture of what, why, and how training will occur.
- **Combine trainings when appropriate.** While applicants can submit as many trainings as they wish (the online application is limited to ten, but any applicant submitting more than ten may contact program staff) – similar trainings do not necessarily have to be listed separately. If, for example, your staff will be undergoing three separate trainings on the same industrial software; you can simply enter all three under as one and describe the individual components when describing training content.

7. REVIEW CRITERIA

Once an application is successfully submitted, it is reviewed by Program staff based on the following criteria

- Is the employer eligible? (See section 5)
- Is the training allowable? (See section 4)
- Is the cost reasonable (For the fiscal year beginning July 1, 2017, the GWB will be applying a cost reasonableness standard set at \$3,500 per individual trainee.)

Program staff will complete an Evaluation Form (see page 7) and affix it to a copy of the application before entering it into GWB records.

If an application is denied for any reason it will be returned to the employer with instructions to resubmit.

- If the applicant **employer is not eligible** for the IWTG program, they will be apprised of the reason why. Depending on the reason, they will be encouraged to remedy any issues that are related to their eligibility and informed of their ability to re-apply.
- **If training is determined unallowable**; the employer will be informed of their ability to appeal this determination to the Executive Director of the Governor's Workforce Board.
- If the amount of matching **funds per trainee exceeds \$3,500**, the employer will be provided the option to revise their budget and training proposal so that the amount of matching funds per trainee is less than or equal to \$3,500; or to proceed with the application with the understanding that the IWTG match will be limited to \$3500.00

INCUMBENT WORKER TRAINING GRANT FY2018 EVALUATION FORM

I. APPLICANT INFORMATION		
Employer Name	Date of Submission	
Amount Requested	Contact Person	
	Contact Person Phone	
II. EVALUTION		
EVALUATION CRITERIA	REVIEW	NOTES
EMPLOYER ELIGIBILITY		
Is the applicant a Rhode Island for-profit or non-profit organization that currently contributes to the Job Development Fund (JDF)? If a labor organization, trade organizations or consortia of employers is applying, do ALL member organizations contribute to the JDF?	<input type="checkbox"/> YES <input type="checkbox"/> NO	
Is the applicant current on all tax obligations with the state of RI?	<input type="checkbox"/> YES <input type="checkbox"/> NO	
Is the applicant in good standing with all divisions of the Department of Labor and Training?	<input type="checkbox"/> YES <input type="checkbox"/> NO	
Is the applicant debarred from contracting with an agency that administers federal funds?	<input type="checkbox"/> YES <input type="checkbox"/> NO	
Is the applicant a federal, state, county, or city governmental entity?	<input type="checkbox"/> YES <input type="checkbox"/> NO	
COST REASONABLENESS		
Is the cost per individual trainee less than or equal to \$3,500?	<input type="checkbox"/> YES <input type="checkbox"/> NO	
ALLOWABLE TRAINING		
Allowable Training is defined as training or educational activities that demonstrate a clear and distinct benefit to the employer and the employee in terms of productivity, competitiveness and/or skill attainment. This benefit may be documented through one or more of the following:		
The employer has identified new or changing local, state, federal, or international regulations or standards that require a change in technology, process, software, waste reduction, energy conservation, etc.	<input type="checkbox"/> YES <input type="checkbox"/> NO	
The employer has identified changing skill requirements or expectations as a result of external economic or market forces, significant changes in operating processes, rapidly changing industry or occupational job requirements or emergence of new products/competitors.	<input type="checkbox"/> YES <input type="checkbox"/> NO	
The employer has identified new or potential market opportunities that may become available as a result of the skills acquired through training.	<input type="checkbox"/> YES <input type="checkbox"/> NO	
The employee(s) will receive an industry recognized credential/certification that is transferable should they ever separate from the employer. (An industry recognized credential/certification is a verification of an individual's qualification or competence issued by a third party with the relevant authority to issue such credentials which is recognized by multiple employers across an industry. Examples include an ISO Certification, MS Office Certification, Food Safety Certification, OSHA Certificates, Certified Electronic Health Records Management, etc.)	<input type="checkbox"/> YES <input type="checkbox"/> NO	

BASED ON THE ABOVE CRITERIA, THIS APPLICATION FOR THE GWB INCUMBENT WORKER TRAINING GRANT PROGRAM IS [APPROVED / DENIED]. (PLEASE AFFIX THIS FORM TO ALL GRANT APPLICATIONS ONCE COMPLETED)

SIGNATURE: _____

DATE: _____

PRINT NAME: _____

8. PROCEDURES FOR APPEALING AN ALLOWABLE TRAINING DETERMINATION TO THE GWB EXECUTIVE DIRECTOR

1. All appeals must be filed within two weeks (14 days) of initial notification of determination.
2. The appeal should be addressed to the **Executive Director – Governor’s Workforce Board** and should be emailed to DLT.GWBINFO@DLT.RI.GOV or faxed to **401-462-8865**
3. The appeal must include the following information:
 - a) Your name, your employer name, address, and contact telephone numbers;
 - b) A description of you the proposed training;
 - c) A description of how the proposed training demonstrates a clear and distinct benefit to both employer and employee based on at least one of the following:
 - a. The employer has identified new or changing local, state, federal, or international regulations or standards that require a change in technology, process, software, waste reduction, energy conservation, etc.
 - b. The employer has identified changing skill requirements or expectations as a result of external economic or market forces, significant changes in operating processes, rapidly changing industry or occupational job requirements; new technologies; or emergence of new products/competitors.
 - c. The employer has identified new or potential market opportunities that may become available as a result of the skills acquired through training.
 - d. The employee(s) will receive an industry recognized credential/certification that is transferable should they ever separate from the employer.
 - d) What requested funds would be used for.

The Executive Director will issue a decision within two weeks (14 days) of the filing of the appeal. The decision of the Executive Director is final. If the Executive Director determines that training IS allowable; this does not mean an application is immediately approved. All other program expectations and conditions must be otherwise met.

9. ALLOWABLE COSTS

The following costs are reimbursable under the IWTG program. Reimbursable training activities cannot begin until an application has been approved. For this reason, employers are required to submit their application at least 30 calendar days prior to the desired start of training.

Allowable Costs

Tuition and training provider fees
Conference Registrations (not including travel, meeting space, lodging, and food)
In-house trainer wages (Limited - SEE BELOW)
Training material and supplies
Software (that is used 100% for training activities)
Curriculum development (Not to exceed 25% of total request)
Cost of evaluating the training

UN-Allowable Costs

Equipment (including hardware and software) that is not for the exclusive use of the training
Membership fees/dues
Lost worker productivity
Grant preparation or administrative costs
Travel expenses, meeting space, lodging, and food
Trainee wages and fringe benefits cost
Routine Employee orientation/on-boarding/training including

In-House Trainer Wages: In-house training is often an effective way to train staff on new skills and technology that is not a regular and ongoing part of their occupation or profession. However, providing evidence of the employer match (a key component of the GWB Incumbent Worker Training Program) is difficult as in-house employee wages are often costs that would have likely been incurred in the employer's normal course of employer. For that reason the use of grant funds to pay for in-house employee trainers is capped at \$5,000 per grant and \$10,000 in a given fiscal year. Funds are limited to the actual cost of time spent delivering training and does not include planning and development time.

All allowable expenses above assume proper documentation.

10. AWARD PROCESS

Once an application is approved, due diligence checks are completed and the information is properly recorded; Program staff notifies the employer of the grant award.

- A standard award letter along with an invoice template is used to develop a unique contract for that employer (the final approved budget may be revised some if certain unallowable costs were originally included)
- The Award Letter along with any other collateral material(s) will be emailed to the employer

11. INVOICE/PAYMENT PROCESS

Payments are made on a cost reimbursement basis in which the grantee pays the costs up front and then requests reimbursement. Employers may request reimbursement as frequently as needed, but no less than a monthly basis. All reimbursement must be submitted within 60 calendar days of the contract end date. Reimbursement requests received after the 60-day cutoff will not be processed. Further instructions will be made available to the employer upon contract execution.

- Grantees may submit a completed invoice through email, fax or standard mail
- All invoices must be accompanied by proper back-up documents that justify the expenditures
- All expenditures must be matched against the approved budget relative to the training activities
- If there are issues with the invoice such as missing documentation, incorrect costs etc. the grantee will be notified of the issues and asked to remedy

12. ACCEPTABLE BACKUP DOCUMENTS

Tuition and Training Provider Fees	<ul style="list-style-type: none"> • Include invoices for training/tuition indicating course name, charges (how total charges are calculated), and date(s) of class(es). • Include canceled check or credit card register demonstrating proof of payment. • As back up documentation attach sign-in sheets OR Certificates of Completion.
Conference Registrations	<ul style="list-style-type: none"> • Copy of Conference registration • Copy of Conference Agenda demonstrating education/training content • Include canceled check or credit card register demonstrating proof of payment.
In-House Training Wages	<ul style="list-style-type: none"> • Payroll register for in house trainer wages
Training Materials and Supplies	<ul style="list-style-type: none"> • Itemized receipt for purchased training materials
Software (that is 100% used for training activities)	<ul style="list-style-type: none"> • Itemized receipt/invoice for purchased training software
Curriculum Development (not to exceed 25% of request)	<ul style="list-style-type: none"> • Copy of invoice/ curriculum development service • Include canceled check or credit card register demonstrating proof of payment.
Cost of evaluating the training	<ul style="list-style-type: none"> • Copy of invoice/ evaluation service • Include canceled check or credit card register demonstrating proof of payment.

13. PERFORMANCE REPORTING

FINAL REPORT (All grants): At the completion of the grant, a final report on the training is due no later than 30 days from the end of training. Performance reports are completed using an online form. Program staff will provide a link to this report to you at the time of the grantee's final reimbursement request. Once the report is received, the final reimbursement will be released.

MID-TERM REPORT (Grants of 6 months or longer): Employers whose IWT grant is for a period of six months or greater are required to submit a status report at the middle of their grant period regarding their usage of funds and training plans for the remainder of the grant period. Failure to submit this report to the Grants Manager on or before the due date may render the contract null and void. IWTG staff will advise of the specific requirements of this report, to include content, time frame, and other matters with information to be included with a copy of the executed contract.

Ongoing communication (All grants): Program staff expect to have ongoing communication with employers regarding the progress of training. If training is occurring and reimbursement requests are occurring on no less than a monthly basis, this is sufficient. However, if no training has occurred and no requests have been received, then on a quarterly basis, employers are expected to have some form of communication with IWTG program staff, which may include e-mails or phone calls to discuss the progress of the training and, potentially, any delays or hindrances. If no communication has occurred, the Grants Manager will reach out to the employer contact to inquire regarding the status of the training project. If no contact is made over a three-month period, this may render the contract null and void.

14. TECHNICAL ASSISTANCE

Program staff is available to provide technical assistance throughout the process—from the application stage throughout contract execution, monitoring and fiscal closeout. An individual or organization may assist a employer or group of employers in the application process; however, that individual/organization may not be compensated with grant funds.

15. CONTRACT TERMS

The contract will set forth all processes and expectations for administering, implementing, and completing the training. If the contract is not executed within the aforementioned 60-day time frame, the grant award becomes null and void unless permission is granted by the GWB.

Training must be begin within 60 days of the contract and must be completed within 12 months from the date of approval. From there, the employer will have 60 days to submit final reimbursement requests for training completed during the contract period.

There is no provision in the contract for extensions. A employer is expected to have carefully assessed its training needs so that it will apply only for the funds needed for training that can be completed in a twelve (12) month time frame.

16. FREQUENTLY ASKED QUESTIONS

How do I know if my organization pays into the Job Development Fund?

Generally, if an employer pays the state Unemployment Insurance tax - they likely pay into the Job Development Fund (JDF). However, to verify if your organization pays into the JDF and is current on all tax obligations, please contact the RI Division of Taxation at 401-574-8710.

What is a W9 tax form? Why do you need it?

The W9 Tax Form is a 'Request for Taxpayer Identification Number (TIN) and Certification' for the employer. It is not an employee W2 form. This form provides the GWB with your employer's correct TIN to allow the state to issue payment to the organization and, if applicable, report information to the IRS. This requirement is non-negotiable.

I've been informed that the name on my W9 doesn't match my employer name. This does not sound correct to me. How can this be resolved?

You will need to contact the State Controller's Office, Division of Purchases, to resolve the issue.

My company is participating in another training effort (ex. Real Jobs RI) that is, in whole or in part, funded with public resources; can I apply for an IWTG grant to pay for the employer portion of that training?

No, the GWB does not allow IWTG funds to be used alongside any other publicly-funded training effort. NOTE: This rule does not prevent an employer from utilizing multiple public programs for different efforts; but funds cannot be combined for the same training.

Where may the training take place?

Training may be conducted at the employer's own facility, at a public or private training provider's facility, or at a combination of sites that best meet the needs of the employer.

Who selects the training provider?

The employer selects the training provider that best suits their training needs. Trainers may be public or private professional trainers, equipment vendors, subject matter experts, or in-house staff (limitations apply to use of in-house staff, see section 9)

How and when will I be reimbursed?

Assuming all paperwork is submitted correctly and in full, up to 45 days.

Can my reimbursement payment be expedited?

No.

My application wasn't approved, do I have any recourse?

Yes. If an application is denied for any reason it will be returned to the employer with instructions to resubmit. If the applicant **employer is not eligible** for the IWTG program, they will be apprised of the reason why. Depending on the reason, they will be encouraged to remedy any issues that are related to their eligibility and informed of their ability to re-apply. If the amount of matching **funds per trainee exceeds \$3,500**, the employer will be encouraged to revise their budget and training proposal so that the amount of matching funds per trainee is less than or equal to \$3,500.

If training is determined unallowable; the employer will be informed of their ability to appeal this determination to the Executive Director of the Governor's Workforce Board (see section 8). The Executive Director will issue a final decision within two weeks of receiving the appeal along with a justification for his/her reasoning. The decision of the Executive Director is final.

The Appeals process will cause me to miss my start date of training; but my original application met the 30-day window. If my appeal is approved, can I still proceed with my original date?

No. The required 30-day window from application to training start date is intended to provide program staff with sufficient time to properly vet and review the application. The appeal process increases the amount of time needed for that vetting. While the GWB regrets any inconvenience this delay may cause; these processes are in place to protect the taxpayer and grant recipients and cannot be expedited. If an appeal was approved; the training start date would have to be delayed in order for expenses to be eligible for reimbursement.

If I receive an Incumbent Worker Training Grant will there be tax implications?

There may be tax implications for receipt of an Incumbent Worker Training grant. Organizations are encouraged to discuss these implications with their tax advisors.

How is the Incumbent Work Training Grant Program funded?

The Incumbent Worker Training Grant Program is currently funded with Job Development Funds.

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