

# Incumbent Worker Grant Program Policy



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The High Country Workforce Development Board (HCWDB) per the Workforce Innovation & Opportunity Act (WIOA), Section 134 (d)(4) is authorized to use up to 20% of its combined Adult and Dislocated Worker allocated formula funds to serve incumbent workers to upgrade skills and knowledge for the retention of their current jobs or to avert the need for employee layoffs. Priority will be given to the businesses in the region representing the manufacturing or healthcare sectors aligning with the area's certified career pathways; however, all sectors are eligible.

## **Key Points**

- The Employee Training Grant Program is a competitive training grant through which qualifying businesses can address employees' skills gaps:
  - These skills gaps can be a result of an employee's changing responsibilities/requirements in her/his job, or for an employee whose job may potentially be eliminated, and skill upgrading is needed to accept new responsibilities.
  - The training(s) should result in increased knowledge/skills for the employee and increase the stability and competitiveness of the employer.
  - Trainings that result in or provide a significant step towards achieving an industry-recognized certification/credential will receive award preference.
- North Carolina for-profit businesses that have been in operation in North Carolina for a minimum of **twelve months** are eligible to apply; eligible employees must have been employed for a minimum of **six months** prior to beginning training.
- The maximum amount is \$10,000 per grant, with a lifetime funding limit of \$40,000.
- Businesses can submit their applications at any point to a Business Services Representative (BSR) who will forward the application on to the HCWDB. The process for submission is described as follows:
  - Applications received by the last day of the month will be scored and reviewed by the 2<sup>nd</sup> Wednesday of the following month.
  - After an award is announced, a contract will be executed, and a business is expected to pay for the training (in accordance with the budget set forth in their application). A business then receives reimbursement from the service provider for the successful completion of the training.

**An employer can utilize this competitive training solution when employees have identified skills gaps that need to be addressed through training, thus enhancing the employee's continued employability. Businesses that acknowledge the need for employees' training in order to increase their competitiveness, efficiency, and/or stabilization should apply for this grant.**

## **Eligible Employees**

- At least 18 years of age and a paid employee of the applicant business or businesses;
- A citizen of the United States or a non-citizen whose status permits employment in the United States;
- An employee with an established employment history with the employer of 6 months or more\* (may include time spent as a temporary or contract worker);
- In a relationship meeting the Fair Labor Standards Act (FLSA) requirements for an employer-employee relationship. The FLSA defines “employ” as the work that the employer directs or allows to take place. Workers who are economically dependent on the business of the employer and will receive a W-2 for tax filing purposes have an employer-employee relationship. ***NOTE: An individual who will receive a 1099 for tax filing purposes or those placed through a temporary agency do not meet the employer-employee relationship.***

*\*The 6-month employment history may be waived if the cohort or overall majority of employees to be trained through the grant have been employed for 6 months or more.*

## **Employee Benefits**

This grant is beneficial to employees who have identified skills gaps, where eligible training addresses these gaps, improves employee retention, helps stabilize the business, and will increase the competitiveness of the employee and employer.

These employees either:

- Need to upgrade skills and knowledge to retain their current job; OR
- Need to gain new skills and knowledge so they qualify for a different job with their employer.

## **Eligible Businesses**

A business that is eligible to apply:

- Is a North Carolina for-profit business;
- Has an employer-employee relationship with at least five (5) employees;
- Has been in operation in North Carolina for at **least 12** or more months;
- Is current on all federal, state, and local obligations (which can also be defined via an established and documented proof of payment plan with the taxing entity);
- Is financially viable.

Businesses that have previously received the Incumbent Worker Grant through the state of North Carolina are still eligible to apply for funding through this grant. Businesses that have already met the maximum lifetime limit of \$40,000 through the previous versions of the state-sponsored Incumbent Worker Grant are eligible to apply for funding through HCWDB’s Employee Training Grant and start with a balance of zero.

## **Ineligible Businesses**

The following businesses are not eligible to apply for funds under this program:

- A business that is currently receiving training funds, either directly or indirectly, from North Carolina state government (unless those training funds do not duplicate the training efforts outlined in this grant application);
  - This includes trainings that are offered at no cost through the Small Business, Technology Development Center or the NC Community College's Customized Training program.
- A business that has received funds either directly or indirectly from North Carolina state government under any previous training initiative, and the terms of the agreement for training have not been met;
- A Workforce Development Board or its administrative entity;
- A labor union; and/or
- A government entity, including publicly-funded organizations.

## **Identifying the Training(s) Most Related to the Employees' Needs**

Businesses can apply for as many trainings, for one or more employees, as they wish in one grant application (as long as the total cost for all trainings does not exceed \$10,000). Businesses understand their training needs the best and are therefore invited to submit any training that applies to their employees' skills gap, as long as it fits within the reimbursable requirements listed. The BSR can assist businesses with the identification of training topics, training instructors, training dates, training locations, etc. Grant funds will be expended on training activities that take place only in North Carolina unless HCWDB approves training outside the state.

## **Expected Outcomes**

A specific outreach focus for this grant will reach employers that are aligned to the growing industries of the region, which include those around which the HCWDB career pathways are built: Advanced Manufacturing and Welding, Human Services, and Nursing and Related Healthcare. Small businesses are also a specific focus of this grant and the trainings in which this grant will fund should have an impact on the company's stability, competitiveness, as well as the employees' opportunity for career growth.

### **Multiple Businesses with Common Training Needs**

Unique businesses can partner and apply for a collaborative training grant. The proposal for the common request must do the following:

- Train employees of at least two different businesses, with one of those businesses designated as the Lead Applicant;
- Include employees of the Lead Applicant in the training;
- Include training descriptions and outcomes that address the employees from all businesses impacted by the proposed common training; and
- Include information on each business that will be part of the training. The application has a specific section for this information.

### **Funding Maximum(s)**

The maximum amount is \$10,000 per grant. An application representing common training needs of two or more businesses will be subject to the \$10,000 limit per training grant. In a collaborative grant, the amount of the award will be equally portioned among the businesses included in the application.

### **Lifetime Limit**

The lifetime limit is \$40,000. Businesses with locations in multiple areas of the state will be treated as a single company for the purposes of determining when this maximum is met. The lifetime limit applies to the company, its parent company, and subsidiaries. This limit applies to all applicants, regardless if they have previously received a grant.

The business may apply for subsequent, competitive grants, but receipt of a prior grant does not automatically guarantee an award of future grants. If a company is awarded a training grant but is unable to use any of the funds and forfeits the full grant amount, then that grant amount will not count against the total lifetime limit for that company.

## **Business Contribution to Training**

The employer or group of employers must pay for a portion of the cost of providing the training to incumbent workers. This portion is defined as the non-federal share. The non-federal share is based on the following limits:

- Not less than 10% of the cost, for employers with not more than 50 employees;
- Not less than 25% of the cost, for employers with more than 50 employees, but not more than 100 employees; and
- Not less than 50% of the cost, for employers with more than 100 employees.

The number of employees is based on all locations within North Carolina. The business will be required to calculate its actual non-federal share at the conclusion of the training. Should the non-federal share not meet the limits, the funds could potentially have to be repaid.

## **Non-Federal Share**

The non-federal share provided by an employer participating in the program may include the amount of the wages paid by the employer to a worker while the worker is attending a training program. The employer may provide the share in cash or in kind, fairly evaluated. Examples of the non-federal share are trainees' wages, on-site facility usage, trainees' travel, food, and/or lodging.

## **Application Process and Funding Decisions**

1. A Pre-Awards checklist is first provided to the business by the BSR.
2. After completing this checklist and receiving feedback from the BSR, the business will receive an application template.
3. The BSR will review the application and provide feedback to the business on suggested edits.
4. Businesses will then have *up to two weeks* to complete a second draft of their application and submit again to the BSR. Failure to comply with the two-week timeframe may result in delayed review.
5. Following the submission of this draft, the BSR will forward the application to HCWDB staff. The HCWDB staff will convene the review committee, comprised of board representatives from HCWDB, to review the application and determine a funding decision using a standardized application assessment form.
6. The HCWDB will notify the BSR and the business applicant of the decision of the review committee *no later than two weeks* following the review committee meeting.

## **Post-Grant Award**

1. A contract is established between the service provider and the awarded business within a month following the review committee's decision. The committee meets on the 2<sup>nd</sup> Wednesday of each month.
2. Funding for the training will be held until the training has been completed.
3. After completion of the training, the business will submit a reimbursement request (with its invoice and proof of payment to the training provider), goal attainment report, and trainee roster to the BSR in order to receive reimbursement for the training.

***Note:** If there is an extenuating circumstance necessitating a request to change the approved training, the business must contact the BSR to discuss the best alternatives. Changes in the training(s) will not require a new application, but the business will need to complete an amended training form and submit it to the BSR as soon as possible. The BSR will consult HCWDB staff if necessary, as to whether the grant review committee would need to review these changes as it relates to the purpose of this grant, including the trainees' originally identified skills gaps. The training will still need to be completed within the one-year timeframe.*

## **Information Required for Employees to be Trained**

The employees/trainees will be required to register in the NCWorks system and will be enrolled in the appropriate activity. The Business Services Representative will facilitate this process and will coordinate the keying of the employees/trainees' data. Individuals being trained utilizing Incumbent Worker funds and enrolled in the project will be required to provide the following data or documents:

- Complete Name
- Contact Information
- Social Security Number
- NC Driver's License or State I.D.
- Gender
- Date of Birth
- Citizenship (Right-to-Work Status)
- Selective Service Compliance (male gender)
- Disability Status (if disclosed)
- Ethnicity and Race
- Highest School Grade Completed
- Highest Education Level Completed

## **Reimbursable /Non-Reimbursable Training Costs**

*The following is a listing of reimbursable and non-reimbursable training costs for the HCWDB Employee Training Grant:*

### **Allowable Training Costs**

1. Training / Course registration
2. Training that results in participants obtaining an industry-recognized certification or credential to include training preparation for certification exams. Funding must be requested for both the training and the certification exam and completed within the twelve (12) month contract.
3. Web-based online training
4. Employee skills assessment that results in primary training funded through the grant
5. Textbooks / manuals used 100% for the training activities
6. Materials and supplies directly related to the funded training
7. Travel for trainers if the requested training is not available within reasonable proximity to the business. The terms of 'reasonable proximity' should be discussed with the HCWDB Business Services Coordinator before application submission.
8. Process improvement or quality-related training to support the state's Business Edge initiative.

### **Non-Allowable Training Costs**

1. Employee related costs such as wages, fringe benefits, and travel.
2. Training-related costs incurred prior to the beginning date of the Agreement with the HCWDB or after the Agreement ends.
3. Training that the business or an entity on the business's behalf already provides to its employees.
4. Training that a business is mandated to provide on a regular basis to its employees by federal, state, or local laws.
5. Continuing Education Units (CEUs) and other training that is specifically required for an employee or entity to maintain licensure, certification, or accreditation.
6. Courses that are part of a trainee's pursuit of an educational degree.
7. Employment or training in sectarian activities.
8. Curriculum design and/or training program development.
9. Trainers employed by any business whose employees are being trained to include parent company employees.
10. Purchase of employee assessment systems or systems usage licenses (example: site licenses).
11. Company website design and development, website hosting, and maintenance, software or hardware upgrades, advice on computer selection for purchase and upgrade.
12. Third party compensation or fees not directly related to the provision of the requested training.

13. Any costs that would normally be considered allowable, but for which there is no request/cost for training related to the item(s) within the application.
14. Capital improvements, purchase of real estate, to include the construction or renovation of facilities or buildings, and capital equipment or other durable (long lasting and/or reusable) training materials.
15. Business relocation or other similar/related expenses.
16. Travel outside of contiguous United States or costs associated with bringing a trainer into the country.
17. General office supplies and non-personnel services costs (example: postage and photocopying).
18. Membership fees/dues.
19. Food, beverage, entertainment, and/or celebration-related expenses.
20. Job/position profiling.
21. Publicity/public relations costs.
22. Costs associated with conferences.

### **Evaluation Procedures**

- The businesses will submit a monthly project performance report during the term of the agreement.
- Invoices for activities will be on a cost-reimbursement basis only and documentation must be sufficient to justify the requested payment. Only items identified in the program budget will be reimbursable.
- Monitoring of the project will be conducted by HCWDB staff and/or the service provider BSR and/or WIOA Director at least once during the term of the program to include evaluating compliance with the Non-Federal Share requirement.
- A final report and invoice must be submitted within 45 days of the project completion date. The final reimbursement will be distributed upon the receipt of the final report.

### **Attachments**

Further Guidance  
Pre-Award Checklist  
Application  
Grant Agreement  
Reimbursement Request  
Trainee Roster  
Goal Attainment Report

**Reference:** [DWS Operational Guidance Number: OG 02-2021](#)