

**THE STATE OF NORTH CAROLINA  
NCWORKS INCUMBENT WORKER  
TRAINING GRANT**

**NCWorks**

**GUIDELINES**

**PROGRAM YEAR**

**JULY 1, 2015 - JUNE 30, 2016**



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## FOR NCWORKS INCUMENT WORKER TRAINING GRANT (NCWORKS IW) GUIDELINES

### GUIDELINES

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**NCWORKS INCUMBENT WORKER  
TRAINING GRANT (NCWORKS IW)  
GUIDELINES**

**KEY POINTS:**

- The NCWorks IW Training Grant is a competitive training grant through which qualifying businesses can address employees' skills gaps and impact company stability. These skills gaps can be a result of a worker's changing responsibilities/requirements in her/his job, or for a worker whose job may potentially be eliminated and skill upgrading is needed to accept new responsibilities. The NCWorks IW training should result in increased knowledge, certifications, and will increase the competitiveness of the employee and employer.
- North Carolina for profit and not for profit businesses with an employer-employee relationship with at least five or more employees, that have been in operation in North Carolina for a minimum of one year prior to the State's submission deadline date, are current on all federal and state tax obligations, and are financially viable are eligible to apply.
- NCWorks IW Training Grants are awarded on a competitive basis. The maximum amount is \$10,000 per grant, with a lifetime funding limit of \$60,000.
- The NCWorks IW Training Grant is cooperatively administered through the State's Local Workforce Development Boards (LWDB) and the North Carolina Department of Commerce's Division of Workforce Solutions (Division). Applications are submitted directly to a LWDB. A LWDB may request additional information or establish supplemental provisions and requirements for the training applications.
- For each funding cycle, **each LWDB will set its own due date** so that the State's submission deadline can be met. The business should contact the LWDB to inquire of its advanced submission date and other requirements.

The full listing for the NC LWDBs is available at NCWorks Online: [www.neworks.gov](http://www.neworks.gov). From the link, select Resources and Services, then Local Workforce Area Contacts.

***State Submission Deadline***

November 30, 2015

\* March 31, 2016

\* Pending Funding Availability

***Grant Award Announcement***

January 13, 2016

\* May 12, 2016

Please see the information below for more details.

**FREQUENTLY ASKED QUESTIONS**

**WHAT IS THE NCWORKS INCUMBENT WORKER TRAINING GRANT?**

The NCWorks IW is a competitive training grant through which qualifying businesses can address employees' skills gaps and impact company stability. These skills gaps can be a result of a worker's changing responsibilities/requirements in her/his job, or for a worker whose job may potentially be eliminated and skill upgrading is needed to accept new responsibilities. The NCWorks IW training should result in increased knowledge, certifications, and will increase the competitiveness of the employee and employer.

**WHAT IS AN INCUMBENT WORKER?**

An incumbent worker is:

- a. At least 18 years of age and a paid employee of the applicant business or businesses;
- b. In a relationship that meets the Fair Labor Standards Act requirements for an employer-employee;
- c. An employee with an established employment history with the employer for 6 months or more

(the employee must be in an employer-employee relationship at least 6 months prior to the NCWorks IW Training Grant's state submission deadline date);

- d. A citizen of the United States or a non-citizen whose status permits employment in the United States; and
- e. An employee to be trained that works at a facility located in North Carolina.

## **WHAT IS AN EMPLOYER-EMPLOYEE RELATIONSHIP?**

In order for the Fair Labor Standards Act (FLSA) minimum wage and overtime provisions to apply to a worker, the worker must be an "employee" of the employer. This means that an employment relationship must exist between the worker and the employer. 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.

An individual that does not meet the employer-employee relationship are;

- Those who will receive a 1099 for tax filing purposes or
- Those who are placed through a temporary agency.

## **WHEN WOULD AN EMPLOYER UTILIZE THE NCWORKS IW TRAINING GRANT?**

An employer can utilize this competitive training solution when an employee has identified skills gaps that need to be addressed through training, thus enhancing the employee's continued employability and improve business stabilization.

## **WHICH EMPLOYEES WOULD BENEFIT FROM THE NCWORKS IW TRAINING GRANT?**

The NCWorks IW Training 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.

Additionally, the training provides a significant step towards achieving an industry- or applicant-recognized certification or credential that increases the workers' overall employability.

An ideal incumbent worker opportunity is one where a participant acquires new skills allowing him or her to move into a higher skilled and higher paid job within the company, thus allowing the company to hire a job seeker to backfill the incumbent worker's position.

## **WHO IS ELIGIBLE TO APPLY?**

A business that is eligible to apply:

- Is a North Carolina for-profit and not-for-profit business;
- Has an employer-employee relationship with the trainees;
- Has at least 5 or more employees with which there is an employer-employee relationship;
- Has been in operation in North Carolina for a minimum of one year prior to the State's submission deadline date;
- Is current on all federal and state obligations; and
- Is financially viable.

Businesses that employed fewer than 5 employees and were awarded the NCWorks IW grant from July 1, 2013 until June 30, 2014 are grandfathered and are eligible to apply in future rounds, until the maximum lifetime limit of \$60,000 is met.

### **WHAT IS A NOT-FOR-PROFIT BUSINESS?**

A not-for-profit entity is a legally constituted organization whose primary objective is to support or to actively engage in activities of public or private interest without any commercial or monetary profit purposes. For the purpose of this grant, it is further defined as having the following characteristics: 1) has paid employees (volunteers are not eligible for training under this program); 2) pays required wage taxes; and 3) generates income through the production of products or the provision of services.

### **WHO IS NOT ELIGIBLE TO APPLY?**

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

- A business 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 the project application
- 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 training provider, unless it is to address the skills gaps of the training provider's incumbent workers
- A Workforce Development Board or its administrative entity
- A labor union
- A government entity
- A company that has already met its lifetime limit of \$60,000.
- Entities whose primary business is education

### **CAN A BUSINESS APPLY FOR THE NCWORKS IW TRAINING GRANT IF IT IS ELIGIBLE FOR OTHER TYPES OF TRAINING RESOURCES, SUCH AS CUSTOMIZED TRAINING?**

In addition to the NCWorks IW Training Grant, the North Carolina Community College System provides funds through the Customized Training Program. Introduced in 2008, the Customized Training Program is an integration of two prior programs: The New and Expanding Industry Program (NEIT) and the Focused Industrial Training Program (FIT). To maximize resources, the business must demonstrate that it is not eligible for, or has exhausted efforts to secure funding through this or other existing programs (examples: agreement on an acceptable training schedule timeline; availability of funds to meet training timeframe).

### **WHAT KINDS OF TRAINING CAN BE FUNDED BY THE NCWORKS IW TRAINING GRANT?**

The following types of training can be funded:

- Occupational skills training designed to meet the special requirements of a business or a group of businesses
- Educational training defined as short courses that address the identified skills gaps and could lead to a credential or to an industry-recognized certification. The training may include a curriculum course, but cannot be part of a trainee's pursuit of an educational degree.

Grant funds will be expended on training activities that take place only in North Carolina unless the Local

Workforce Development Board approves training outside the state. If consent is given, all other rules and regulations of the NCWorks IW Training Grant still apply.

### **WHAT IS THE MAXIMUM AMOUNT PER ROUND FOR WHICH A BUSINESS CAN APPLY?**

NCWorks IW funds are limited, and are, therefore, awarded on a competitive basis. The maximum amount is \$10,000 per grant.

### **WHAT IS THE LIFETIME LIMIT FOR BUSINESSES RECEIVING GRANTS?**

The lifetime limit is \$60,000. 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 applies to all applicants, regardless if they have received a grant before.

The business may apply for subsequent, competitive grants, but receipt of a prior grant does not automatically guarantee an award of future grants.

### **HOW IS THE LIFETIME LIMIT DETERMINED?**

Businesses that have received a NCWorks IW Training Grant and have not reached the lifetime funding limit of \$60,000, are eligible to apply for the difference of the prior grant award(s) and \$60,000.

If a company is awarded the NCWorks IW 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.

### **CAN A BUSINESS APPLY FOR A GRANT THAT WILL SERVE DIFFERENT, MULTIPLE BUSINESSES WITH COMMON TRAINING NEEDS?**

Yes, unique businesses can partner and apply for a collaborative training grant. The businesses pursuing this approach must consult with their Local Workforce Development Boards (LWDB), who will help coordinate this type of application.

LWDBs are also encouraged to work with unique businesses in high demand sectors within their region to complete collaborative applications. All businesses included in the application must meet all rules, regulations, and guidelines of the NCWorks IW Training Grant.

The proposal for the common request must:

- 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 information on each business that will be part of the training. The application has a specific section for this information;
- Include training descriptions and outcomes that address the employees from all businesses impacted by the proposed common training; and
- Be for a collective group of businesses of which *none* have ever received a collaborative training grant.

An application representing common training needs of **two or more businesses** will be subject to the \$12,500 per training grant.

## **HOW ARE BUSINESSES' LIFETIME FUNDING LIMITS CALCULATED IF IT IS PART OF A COLLABORATIVE APPLICATION?**

The amount of the award will be equally portioned among the businesses included in the application.

*Example:* Two businesses receive a collaborative training grant in the amount of \$12,500. Each business will have \$6,250 credited towards its lifetime funding limit of \$60,000.

## **IS THE BUSINESS REQUIRED TO CONTRIBUTE?**

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.

## **WHAT IS THE 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 lodging.

## **WHAT COSTS CAN BE REIMBURSED BY THE NCWORKS IW TRAINING GRANT?**

See Attachment A for a list of allowable and non-allowable costs.

## **WHAT OUTCOMES ARE EXPECTED FROM THE NCWORKS IW TRAINING GRANT?**

When businesses experience a skills gap in their workforce, the company's stability can be compromised. The NCWorks IW Training Grant, funded by the federal Workforce Innovation and Opportunity Act (WIOA) addresses such needs by increasing workers' skills, wages, advancement opportunities, knowledge, and certification.

## **HOW IS THE NCWORKS IW TRAINING GRANT ADMINISTERED?**

The NCWorks IW is cooperatively administered through the State's Local Workforce Development Boards (LWDB) and the North Carolina Department of Commerce's Division of Workforce Solutions (Division). Within the framework established through the NCWorks IW, a LWDB may request additional information for the applications.

## **HOW DOES A BUSINESS SUBMIT AN APPLICATION?**

First the business must contact the Local Workforce Development Board (LWDB) that administers the NCWorks IW Training Grant program in its geographical area. The full listing for the NC LWDBs is available



at NCWorks Online: [www.ncworks.gov](http://www.ncworks.gov) . From the link, select Resources and Services, then Local Workforce Area Contacts. This contact allows the business and the LWDB the opportunity to review the guidelines and eligibility requirements, highlight criteria, discuss training priorities, understand the application time schedule, and other procedures and expectations.

Applications for the NCWorks IW Training Grant are available on the Department of Commerce website: <http://www.nccommerce.com/workforce/businesses/ncworks-incumbent-worker-training-grants>. These documents are also available through LWDB staff and websites.

### **HOW CAN A BUSINESS DETERMINE IF ITS PARENT COMPANY AND/OR SUBSIDIARIES HAVE RECEIVED A NCWORKS IW GRANT?**

The business should work with its LWDB to determine this information. It may also view the following website, which has a complete listing of all companies that have received a NCWorks IW grant: <http://www.nccommerce.com/workforce/businesses/ncworks-incumbent-worker-training-grants>. The list of total companies funded is updated within thirty (30) days from the announcement of awards for each round.

### **IS IT REQUIRED THAT THE APPLICANT USE THE APPLICATION FORM PROVIDED?**

Yes. The application is provided as a PDF fillable document. *All* information is to be provided *within* the form. The space will expand to accommodate the information. Please do **not** include trainer's resumes or other excess information. Also, a trainer's qualifications, course descriptions and objectives should be summarized within the form.

### **IS AN AUTHORIZED ELECTRONIC SIGNATURE ACCEPTABLE?**

Yes. All sections requiring a signature must have an authorized signature. An electronic or original signature of an authorized individual is acceptable.

### **WHAT TECHNICAL ASSISTANCE IS AVAILABLE TO ASSIST THE BUSINESS?**

Businesses and vendors should contact the LWDB staff for technical assistance throughout the process.

### **WHEN CAN A BUSINESS APPLY FOR AN NCWORKS IW TRAINING GRANT?**

Businesses and vendors should contact the LWDB before beginning the application process. The LWDB will inform the business of its **advanced submission date** and other requirements necessary in order to meet the State's application submission deadline.

The full listing for the NC LWDBs is available at NCWorks Online: [www.ncworks.gov](http://www.ncworks.gov). From the link, select Resources and Services, then Local Workforce Area Contacts.

***State Submission Deadline***  
November 30, 2015  
\* March 31, 2016

\* Pending Funding Availability

***Grant Award Announcement***  
January 13, 2016  
\* May 12, 2016

### **HOW WILL FUNDING DECISIONS BE MADE?**

The LWDB will review the application for viability and make funding recommendations based on the State's NCWorks IW criteria. The number of awards approved per round is based on funding availability and the

number of eligible applications as determined by the Division and the LWDB.

### **HOW WILL I KNOW IF MY BUSINESS' APPLICATION IS APPROVED?**

The Local Workforce Development Board (LWDB) will notify the business of action taken on its application. The LWDB will begin the process of developing a contract between it and the successful applicant, to be executed within 60 days of the date of the Notice of Funds Availability cover letter from the LWDB. 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 and the business will have to re-apply in a future round.

Each project will be monitored and evaluated by the LWDB, with outcomes reported to the Division.

### **HOW LONG DOES A BUSINESS HAVE TO CONDUCT THE TRAINING?**

Training must be completed within 12 months from the date of the contract between the business and the LWDB.

### **CAN THE CONTRACT BE EXTENDED?**

A business is expected to carefully assess its training needs so that it will apply only for the funds needed for training that addresses its employees' skills gaps, and can be completed in a twelve (12) month time frame. Under extenuating circumstances, a request can be made by the business to the Local Workforce Development Board (LWDB) to extend the date of a contract. Each request is reviewed on a case-by-case basis. In any event, no extension will exceed 30 days past the end date of the original contract.

### **ONCE THE BUSINESS HAS BEEN AWARDED A NCWORKS IW GRANT, CAN IT CHANGE THE TYPE(S) OF TRAINING OR USE OF FUNDS APPROVED IN THE GRANT?**

The NCWORKS IW Training Grant is a competitive training grant and each application is evaluated against eligibility criteria.

If there is an extenuating circumstance that leads to a need to request a change to the approved training, the business must contact the LWDB to discuss the best alternatives. Training changes cannot create a new application and must continue to address the trainees' originally identified skills gaps, be completed within the original one-year timeframe, and meet the NCWorks IW criteria. The LWDB will evaluate each request on a case-by-case basis, and consult with the Division for a final decision.

### **WHAT INFORMATION IS A BUSINESS REQUIRED TO SUPPLY TO THE LWDB ON THE EMPLOYEES TO BE TRAINED?**

The LWDB will discuss with the business the employee information required on the trainees. Federal requirements mandate funded businesses provide, at a minimum, the following data for each training participant:

- Social Security Number
- Complete Name and Contact Information
- Gender
- Date of Birth
- Citizenship (Right-to-Work Status)
- Selective Service Compliance
- Person with Disability
- Ethnicity and Race

It is possible that more information may be needed. The business must also ensure that each trainee has an

employer-employee relationship and an employment history of 6 months or more with the employer.

**ARE ANY REPORTING REQUIREMENTS EXPECTED OF THE BUSINESS?**

Yes. The Local Workforce Development Board (LWDB) will advise and discuss the reporting requirements for the grant award, to include content, time frame and other matters. A final report on the training is due no later than forty-five (45) days from the *end of the training*. It will be forwarded by the LWDB to the Division of Workforce Solutions.

## ATTACHMENT A

### Reimbursable /Non-Reimbursable Training Costs

The following is a listing of reimbursable and non-reimbursable training costs for the NCWorks IW 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. Travel for trainers-if the requested training is not available within reasonable proximity to the business

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

1. Employee related costs such as wages, fringe benefits, travel
2. Process improvement or quality-related training
3. Training-related costs incurred prior to the beginning date of the contract with the LWDB or after the contract ends.
4. Training that the company or an entity on the company's behalf already provides to its employees.
5. Training that a company is mandated to provide on a regular basis to its employees by federal, state, or local laws
6. Continuing Education Units (CEUs) and other training that is specifically required for an employee or entity to maintain licensure, certification or accreditation
7. Courses that are part of a trainee's pursuit of an educational degree
8. Employment or training in sectarian activities
9. Curriculum design and/or training program development
10. Trainers employed by any business whose employees are being trained to include parent company employees
11. Purchase of employee assessment systems or systems usage licenses (example: site licenses)
12. Company website design and development, website hosting, and maintenance, software or hardware upgrades, advice on computer selection for purchase and upgrade
13. Third party compensation or fees not directly related to the provision of the requested training
14. 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
15. 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
16. Business relocation or other similar/related expenses
17. Travel outside of contiguous United States or costs associated with bringing a trainer into the country
18. General office supplies and non-personnel services costs (example: postage and photocopying)
19. Membership fees/dues
20. Food, beverage, entertainment, and/or celebration related expenses
21. Job/position profiling
22. Publicity/public relations costs
23. Costs associated with conferences