

INSTRUCTION LETTER

REGIONAL INSTRUCTION NUMBER: WIOA R21-04 Change 1

TO: SC Works Operator/Service Provider

SUBJECT: Incumbent Worker Training (IWT) and IWT Rapid Response Policy and Procedures

DATE ISSUED: May 18, 2022

DATE EFFECTIVE: July 1, 2022

DATE EXPIRES: Indefinitely

PURPOSE: The purpose of this instruction letter is to advise all necessary entities of the new IWT Policies. Additional information has been added regarding Rapid Response IWT.

BACKGROUND: Each program year the State Workforce Development Board (SWDB) has WIOA dollars that they hold back to issue as "statewide grants." Each year the SWDB issues grants to local Workforce Boards (WBs) to be used by local employers for incumbent worker training. Incumbent workers are workers who are already employed by the employer. In addition, Local Workforce Boards may also designate up to 20% of their combined total Adult and Dislocated Worker allocated funds for the cost of providing IWT.

ACTION: The Upstate Workforce Board (UWB), the Greenville County Workforce Development Board (GCWDB), and the SC Works Greater Upstate Operator will follow the procedure outlined below in administering these funds at the local level.

POLICY:

APPLICATION PROCESS

1. The local business services team completes scoring on each application and provides recommendations to the local administrator or designee. Recommendations for funding will then be presented to each board or review committee for approval.
2. The BSL will accept applications from eligible employers seeking Incumbent Worker Training grants through the current program year or until funding is exhausted.

The BSL will be responsible for disseminating a notice announcing available funding opportunities and application instructions to the following partners:

- ◆ Spartanburg Area Chamber of Commerce CEO
- ◆ Greenville Chamber of Commerce CEO

- ◆ Union Chamber of Commerce CEO
- ◆ Cherokee County Chamber of Commerce CEO
- ◆ Greater Greer Chamber of Commerce CEO
- ◆ Greater Inman Chamber of Commerce
- ◆ Simpsonville Chamber of Commerce CEO
- ◆ Mauldin Chamber of Commerce CEO
- ◆ Fountain Inn Chamber of Commerce CEO
- ◆ Upstate Employer Network President
- ◆ Spartanburg Community College VP of Corporate & Community Education
- ◆ Greenville Technical College VP of Economic Development and Corporate Training
- ◆ Cherokee County Development Board Executive Director
- ◆ Union County Development Board Executive Director
- ◆ Greenville Area Development Corporation CEO
- ◆ Greer Development Corporation
- ◆ South Carolina Manufacturing Extension Partnership (SCMEP)
- ◆ Greer Downtown Association
- ◆ South Carolina Manufacturing Alliance (SCMA)
- ◆ Small Business Development Center
- ◆ Upstate Alliance
- ◆ Ten at the Top (TATT)
- ◆ SHRM (local chapters)
- ◆ South Carolina Business Opportunities (SCBO)

The BSL will also send a press release to the *Spartanburg Herald-Journal*, *Gaffney Ledger*, *Cherokee Chronicle*, *Union County News*, *Greer Citizen*, *Greenville News*, *Upstate Business Journal*, and any other relevant newspaper(s) to be determined at the time of release, as well as other media outlets.

The notice will include the method by which applications will be accepted, both digitally and by hand. Applications will be accepted via email and by the SC Works Greater Upstate offices:

For Cherokee County

Attn: Johnnie-Lynn Crosby, Business Services Lead
 SC Works Greater Upstate
 111-C Tiffany Park Circle
 Gaffney, SC 29341
 864-902-1147, TTY: 711

For Greenville County

Attn: Johnnie-Lynn Crosby, Business Services Lead
 SC Works Greater Upstate
 225 S. Pleasantburg Drive, Suite E-1, Greenville, SC 29607
 (864) 467-8080, TTY: 711

For Spartanburg County

Attn: Johnnie-Lynn Crosby, Business Services Lead

SC Works Greater Upstate

220 E. Kennedy Street, Spartanburg, SC 29302

(864) 764-1966, TTY: 711

For Union County

Attn: Johnnie-Lynn Crosby, Business Services Lead

SC Works Greater Upstate

300 E South Street Union, SC 29379

(864) 427-7140, TTY: 711

Applications that arrive incomplete or that are delivered to the wrong location will not be accepted. It will also be noted in the release that applications missing any required information will not be accepted.

The application and guidelines will be made available on the UWB, GCWDB, and SC Works Greater Upstate websites during the current program year, or as long as funds are available.

As applications are received, the **date and time** received should be marked in the top right corner on the application along with the initials of the staff member who accepts the application. All applications should be forwarded to the BSL who will be responsible for compiling all originals of applications received into a **business file**.

3. The contact person for employer questions should always be the BSL. The SC Works Greater Upstate Business Solutions Team (BST) may provide assistance in completing the application to any company requesting such assistance.
4. Applications will be reviewed by the BSL, or any designees, for accuracy and eligibility. Eligibility criteria include:

Business Eligibility for Incumbent Worker Training Funds

- Each business must have at least one full-time employee and be current on all State and County tax obligations.
- Temporary employees or 1099 employees are NOT eligible for IWT funding.
- Third parties or consortia acting on behalf of a group of employers are eligible to be recipients of IWT (e.g., business associations, industry councils, chambers of commerce, or downtown/community development corporations).
 - A group of employers may form a training consortium for the purposes of receiving IWT. The training consortium or a third party may apply for IWT on behalf of a group of employers, but cannot serve as the training provider. Please note that IWT funding may not be used for members of a training consortium who would otherwise be ineligible for IWT, including training entities and city, county and state governments.

- A training consortium shares in the cost of training incumbent workers based on the total number of employees from all businesses in the training consortium. The training consortium would then determine how the cost would be split between the businesses in the consortium. This may be done in multiple ways, but it is recommended that the division of costs be determined based on how many employers are in each business
- Training entities/training providers are not eligible for IWT funding or to act on behalf of a business or group of businesses as a third party.
- City, county, and state governments are not eligible for IWT funding.
NOTE: Generally, IWT should be provided to private sector employers; however, there may be instances where non-profit and local government entities may be recipients of IWT funds. For example, IWT may be used in the health care industry where hospitals are operated by non-profit or local government entities and a nursing upskilling opportunity is available.
- A business receiving services through readySC may be eligible for IWT as long as the training requested is not a duplication.
- A business that has relocated resulting in the loss of jobs at the original location is not eligible for IWT funding. Such a business becomes eligible once operational in the new location for 120 days.
- Applicants must complete IWT application and submit to the correct SC Works location;
- Businesses that request training funds due to any of the following are eligible: Expansion, new technology, retooling, new services/product lines and new organizational structuring or as part of a layoff aversion strategy.
- Trainings requested must be eligible trainings (not OSHA, First Aid/CPR, hazardous material, training provided by an incumbent of the company, or other routine costs of doing business trainings).

In addition to the Business Eligibility criteria listed above, the following criteria must be considered when determining which companies will receive IWT funding:

- The characteristics of the individuals who would receive training
- Whether the training improves the labor market competitiveness of the employees or both the employees and the employer
- All applications must meet the following minimum criteria:
 1. Proposed training is needed due to expansion, new technology, retooling, new product lines and new organizational structuring.
 2. Business has at least one full-time employee.
 3. Business is current on all state and county tax obligations.
- Each application will be scored on the following criteria:
 1. Business uses SC Works services
 2. Business has had an IWT agreement within the past 12 months
 3. Proposed training reflects a significant upgrade in employee skills
 4. Training requested falls within industries identified as local priority industries: (Manufacturing, Healthcare, Logistics/Distribution, Information Technology, and

Construction Trades)

5. Proposed training would result in employees acquiring transferable skills
6. Proposed training would result in employee wage increases
7. Application reflects a significant layoff avoidance strategy and retention opportunities
8. Proposed training is for a Registered Apprenticeship Program
9. Proposed training is for technical skills/occupational skills
10. Business has less than 50 employees

Worker Eligibility for Incumbent Worker Training Funds

- The incumbent worker must be employed by the business and meet Fair Labor Standards Act requirements for an employer-employee relationship.
- The majority of incumbent workers included in training must have an established employment history with the employer for six months or more (which may include time spent as a temporary or contract worker performing work for the employer receiving IWT funds).
- An incumbent worker does not have to meet the eligibility requirements for participation in the Adult or Dislocated Worker program, unless also enrolled as a participant in the WIOA Adult or Dislocated Worker program.

Employers participating in IWT are required to pay for a share of the cost of providing the training to incumbent workers. The UWB and GCWDB will use employer size to determine employer share. For a business location with not more than 50 employees, the employer share is 10 percent of the cost. For a business location with more than 50 employees but not more than 100 employees, the employer share is 25 percent of the cost. For a business location with more than 100 employees, the employer share is 50 percent of the cost. The employer share can be met through cash payments, fairly evaluated in-kind contributions, or both. The employer share may include the wages the employer pays to the incumbent worker trainee while the worker is attending training. The employer share must not come out of any other Federal funds.

Upon review of the applications, if any business has selected that they have experienced a layoff or relocated operations, the BSL should have the business complete the UWB/GCWDB Pre-Award Review Section 1 and the BSL should complete the UWB/GCWDB Pre-Award Review Section 2 (Attachment C).

SC Works Greater Upstate staff members are encouraged to seek guidance from the appropriate Board on any application or requested training that seems questionable in terms of eligibility and allowable activities **PRIOR** to the review meeting. Trainings “not allowable” will be marked as such and will not be reviewed by the committee. A list of ineligible applicants will be provided with an explanation for the Board or review committee.

If upon review, the eligibility for Incumbent Worker Training funds has not been met, the application will be marked “Disapproved,” dated, and an explanatory letter will be sent to the employer. A copy of the letter will be attached to the original application and the

application will remain in the central file.

REVIEW PROCESS

IWT recommendations are reviewed by the appropriate local Board.

Should a board member's company apply, he/she shall refrain from participating in the entire approval process.

5. The BSL and/or designated staff will complete the following:
 - Fill out an IWT grant score sheet based on each employer's application (Attachment E);
 - Create an excel spreadsheet summarizing the training requested (Attachment F); and
 - Maintain a copy of the IWT Grant Application (Attachment A).

The BSL and/or designated staff are responsible for providing this information to the local administrator or designee.

6. Review Meeting:

During the approval meeting, the designated UWB or GCWDB staff will take thorough minutes. It is imperative that justification be detailed for each application funded or not funded.

The meeting minutes or poll vote documentation will be maintained by local board staff.

The BSL and/or designated staff is responsible for determining which of the IWT agreements will be funded through State IWT funds and which will be funded through Local IWT funds. The UWB and GCWDB expect all state funding to be designated prior to use of local reserved IWT dollars.

The slate of approved businesses and training programs will be presented to the UWB/GCWDB for approval.

GRANT EXECUTION

7. The UWB/GCWDB Executive Directors will receive announcement of State IWT funding from the SCDEW office. Spartanburg County and Greenville County will receive the grant award from SCDEW.

Spartanburg County and Greenville County will then issue a sub-grant, separate from regular formula fund agreements, to the SC Works Greater Upstate operator to carry out the activities set forth in the statement of work for the IWT program. This sub-grant will allocate IWT resources to the SC Works Greater Upstate operator for agreements with approved businesses. The SC Works Greater Upstate operator will be responsible for complying with the statement of work and held accountable for the proper use of funds.

8. With approval from the board and execution of the IWT sub-grant to the SC Works Greater Upstate operator, the BSL will provide written communication to each employer funded and not funded advising them of the board's decision. A list of IWT employer names and grant awards will be maintained quarterly on the SC Works Greater Upstate local site. (to include current and previous program year)
9. The appropriate BST member should begin writing grants using the attached "IWT Agreement Packet" that includes a work statement and other required documents (Attachment G). The grant numbers are assigned as follows:
 - The first digit will always be 0;
 - The second three letters will always be IWT;
 - The fifth and sixth digits are the ending numbers of the current program year (i.e. if program year 2017, July 1, 2017 through June 30, 2018, the digits will be 17);
 - Then two letters that are an abbreviation of the employer name (e.g. the letters used for Linpac were LI);
 - If funded via rapid response dollars, grant number will follow same guidelines but RR should be placed between program year and employer abbreviation. (OIWT17RRAB-UWB)
 - All applications have the ending – UWB or GCWDB. (OIWT17AB-UWB)

All grants must have a number that is unique to that grant so that duplications do not occur.

The company should be contacted by the BST member to confirm the training timeline to be included in the grant agreement. *The company will be expected to start training on time; training must begin within one (1) month of the stated time. The statement of work will reflect that if training has not started within the specified time frame, the agreement will end and funds will be recaptured for use elsewhere. It is imperative that training outlines be as accurate as possible.*

Compliance Documentation Required: W9 (Attachment H)

10. The grants will be routed in the following manner (using the folder with the IWT Routing Sheet as a cover, Attachment I) to ensure that all signatures are received:
 - FIRST, the original grants will be given to the SC Works Greater Upstate Project Director for signature;
 - SECOND, the BSL or appropriate BST member will meet with company to obtain Authorized Business Signatures*.

*Authorized Business Representatives must have authority to sign a legally-binding document.

11. Once all signatures have been obtained, the distribution of the documents will be as follows:

- Application
 - ORIGINAL application to remain in the **business file**.
 - COPY of the application must be sent to the SCDEW.
 - Grant
 - The grant (w/ a copy of the W9 form) will remain on file with the SC Works Greater Upstate BSL, or designated BST staff.
 - The grant (w/ a copy of the W9 form) will be given to the employer for their records.
 - The grant (w/ a copy of the W9 form) will be sent in the monthly report to SCDEW. This applies to any grants that have been received since the submission of the last report, and should only be reported once during the grant period.
 - The W9 form will be given to the SC Works Accounting Department.
 - Other copies and documentation may be incorporated by the SC Works operator at their discretion.

Scanned documents with electronic signatures are considered original.

12. All company representatives who will assist in executing the grant requirements should receive training on the grant forms and requirements from BST members. The BST member will supply all forms electronically. Applicable forms include:

- **Attachment J – Quarterly Report Packet**
 - **Trainee Information Form**: to be completed by the business no later than the first day of training and again within five (5) days of the end of training.
 - **Cumulative Expenditure Form**: to be completed by the business on a quarterly basis at a minimum. Local areas may request expenditures on a monthly basis. All back-up documentation related to the training should be provided with the form and can include cancelled checks, paid invoices, paid registration information, and other documents (examples include invoices from the training institution, sign-in sheets, etc.).
- **Final Report Packet (Attachment P)**: to be completed once all grant funds have been expended or the grant period has expired (see number 16).

GRANT MANAGEMENT

13. The BST will manage each IWT agreement during the grant cycle. All staff responsible for grant management should review each statement of work and be knowledgeable of all company requirements.

Trainee Forms: Originals will be reviewed for accuracy and maintained in the **business file**. Trainee Forms are due within five (5) days of the start of a training program and again within five (5) days of the completion of the training program. The Trainee Form must have been received before reimbursement can be processed. Scanned copies are allowable.

Cumulative Expenditure Forms: Originals are required by the 5th of each month, regardless of whether expenses have been incurred. All backup documentation must be included with Cumulative Expenditure Forms to indicate that business payment has occurred to request reimbursement. Scanned copies are allowable.

14. Requesting Reimbursement:

Final payment may not be processed until all required documentation is received including the Final Report (Attachment P). A copy of the Final Report will be sent with the reimbursement request following the procedure outlined above.

The Cumulative Expenditure Form and back up documentation should be copied and remain in the **business file** with a notation that it has been submitted to the SC Works operator for reimbursement.

The signed Cumulative Expenditure Form and back up documentation (not to include trainee forms) should be sent to the SC Works Project Accountant for verification of the expenditures, prior to forwarding to the SC Works Project Director for signature. Once signed, the payment can be submitted to the SC Works accounting department for reimbursement.

Successful completion of the training program is required to reimburse the business; however, the BSL should thoroughly review the appropriate records to adjust the final reimbursement amount to account for any refund paid to the business because of cancellation of training program, if applicable. Payments per module is allowable.

Waiver of Payment Terms

The requirement that employers pay the full cost of training can present a hardship, especially in the case of Rapid Response IWT when the employer is facing financial risks. Additionally, there may be training providers or courses that require payment at the time of registration or at some point before training completion. Pending agreement of all parties, the area/service provider, employer, and training provider, LWDA's have the flexibility to establish a payment strategy that aligns with the area's policies, the provider's payment terms, and the company's needs. Such flexibility expands access to IWT, especially for smaller companies.

The Greater Upstate area can consider the following criteria when assessing the need for payment flexibility:

- Nature, extent, and anticipated duration of the company's hardship, as documented by the company or through the Competitiveness Review
- LWDA policies and procedures
- Training provider payment/reimbursement policies
- Completion rate for RRIWT participants
- Regularity of employees not completing training

- Other factors deemed appropriate by the LWDA

Please note: We are not required to offer these flexibilities. We have the option depending on the circumstances, but can also decline to offer any flexibilities and follow the normal reimbursement process.

15. Monitoring:

The respective BST member should monitor each IWT grant. The BST member should speak to at least one trainee participating in a training course once during the course of each training project. The BST member should speak to the company representative at least once during the course of the agreement to ensure that training is taking place and to ensure that the grant funds are being spent as indicated. This monitoring is in addition to the ongoing communication between the business and BST member on the status of the grant. The monitoring may be done on site or by phone. Areas for review can include:

- Instructor Wages/Tuition through documentation and invoices submitted
- Materials/supplies through documentation/invoices submitted
- Trainee wages, which may not be used as part of the business matching amount

A monitoring report (Attachment K) should be placed in the business file.

16. Closing the grant:

Once the employer has expended the funds in their respective grant or the grant date has expired, the grant should be closed. Grants may also be closed if training has not occurred within one (1) month of the training outline and/or company has failed to follow the work statement. It is imperative that BST staff maintain detailed documentation of all communication with the employer in regards to their IWT agreement.

The top portion of the Final Report will be completed by the BST member and then sent to the employer for completion. The employer must sign the Final Report and submit the signed document to the BST. The original Final Report should remain in the business file.

17. Modifications:

Should changes occur during the life of the grant that require a modification, the attached Modification Request Form should be used (Attachment L).

Changes, other than requests for reduced or increased funding may be approved by the **SC Works Project Director**. These changes can include but are not limited to the following: changes to the end date (as long as the training can be completed by the end of the grant period), number of trainees, and line item changes (that do not result in overall funding change). It is the responsibility of the BSL to provide the appropriate Associate Director with a detailed explanation of the requested changes, as needed.

Changes to agreement end dates will ONLY be granted in cases where the BSL provides an explanation that the company has regularly communicated with the BST and the change in end date is a result of class cancellations or extenuating circumstances with the company. Proper documentation should be presented with the request.

An increase in the amount of funding for the grant must be presented and approved by the appropriate Board (or Executive Committee). The Associate Directors will provide the board's response to the BSL.

Once the modification has been approved, the BST member will print two original copies. The originals are then forwarded to the SC Works Project Director for signature. The BSL will then forward both originals to the employer for signature and the employer will be instructed to keep one original for their records and the other original should be returned to the BST. One original modification will be kept in the business file, and one copy will be sent with the monthly report to the SCDEW.

18. Allocation of un-used funding:

If at any point during the grant period, any previously allocated funds are recaptured (recapturing will occur for any unused funds at the close of each company's grant), the BSL will execute new grants, as funding allows. If all training has been funded, an application period will be reopened following the procedure outlined above. An exception may be made to the amount of time allowed for applications to be received so that approval can occur before the end date of the grant.

19. Reporting and filing procedures:

An IWT quarterly report (Attachment J) is due quarterly to the SCDEW via drop box. The report should include:

- New agreements including application, "grant packet," and W9;
- Cumulative Expenditure Reports (not including back up documentation) that have been received since the submission of the last report;
- Final Reports; and
- Modifications (including budget modification if required).

Should there be zero expenditures, written communication from the BSL to the appropriate Board staff can be submitted in lieu of the report.

When loading docs into DropBox please use the following file name assignments.

Agreement names: Business Name, state or local Agreement and PY

Modifications: Business Name, state or local, Modification #__ and PY

Quarterly Documents: Business Name, state or local, Qtr, Workforce Region

Final Report: Business Name, state or local, Final Report and PY

Curriculum: Business Name, Curriculum title, workforce region

Business File - There should be a file for each company awarded a grant, including all of the information below: (Business files will be made available for monitoring, per request)

- A COPY of the application received during solicitation;
- The grant agreement with each company;
- Trainee Information Forms;
- Cumulative Expenditure Forms and back up documentation;
- Final Reports;
- Monitoring Reports;
- Related communication regarding IWT grant, as needed; and
- Modifications.

Employer Documents – The BST will assist employers in maintaining their own file that will include:

- COPY of application,
- Grant agreement documents,
- Modifications, and
- COPY of the Final Report.
- COPY of trainee forms, cumulative expenditures, and back up documentation to include employee records documenting six month employment requirement.

*Signed electronic documents will be accepted as originals.

ALL IWT files should be kept and accessible for monitoring for five years after the end date of the agreements.

Rapid Response Incumbent Worker Training (RRIWT)

RRIWT grants are similar to IWT grants, but there are a few differences and exceptions that should be noted. RRIWT provides funding for training to assist a business or group of businesses in averting a layoff or closure. RRIWT can only be used when IWT is part of a broader layoff aversion strategy or activity, and is restricted to skill attainment.

A third-party review of the business is required before submission of an application for RRIWT. The results of the review must reveal that layoffs would be imminent without intervention. The roadmap for improvement must confirm a need for employee training and identify the specific training needs. Businesses should submit a completed application to the appropriate LWDA. Local staff must conduct and complete the Local Area Assessment before submitting the application to SCDEW for final review.

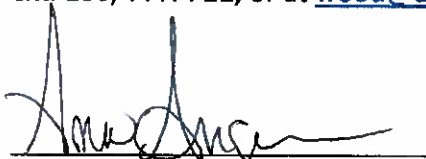
As a general rule, eligible businesses may receive up to \$50,000 for RRIWT. A business match is **not** required for RRIWT. Because RRIWT is for the purpose of averting layoffs that are imminent, training

should begin within 30 days of the local area executing the RRIWT grant award. If training does not begin within 90 days of the signed grant award, the grant may be rescinded. Training must be completed within 12 months.


For more detailed requirements and additional information, refer to State Instruction 20-13 Change 1.

Additional Note: The UWB and GCWDB have expressed concerns to the state about the administrative burden regarding data entry as it relates to the state's expectation of IWT case management. The discrepancy from initial trainees versus the final list of those trained is often significantly different. Some contracts are upwards of 100 people, resulting in lots of changes in SCWOS. We will continue to work towards relieving the administrative burden of the process within the limits that are set by SCDEW, but we acknowledge and grant the contractor flexibility when administering this service. We expect additional changes to this policy as meetings have been requested.

INQUIRIES: Should you have any questions regarding this instruction, please contact Eva Anagnostis at 864-467-8142, TTY: 711, or at eanagnostis@greenvillecounty.org Dana Wood at 864-596-2028 ext. 100, TTY: 711, or at wood@upstaterworkforceboard.org.



Ann Angermeier
Executive Director
Upstate Workforce Board



Dean E. Jones
Executive Director
Greenville County Workforce Development Board

Source: State Instruction Notice 17-03 and State IWT Procedures revised 9/10/2018, State Instruction 20-13, change 1
REPLACES Regional Letter 17-06 Amendment 1 and Regional Instruction Letter 17-06 Amendment 4