



INSTRUCTION LETTER

REGIONAL INSTRUCTION NUMBER: WIOA R17-06

TO: SC Works Operator/Service Provider

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

DATE ISSUED: November 2, 2017 **DATE EFFECTIVE:** November 2, 2017 **DATE EXPIRES:** Indefinitely*

PURPOSE: The purpose of this instruction letter is to advise all necessary entities of the new IWT and Rapid Response Policy.

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. An IWT Ad Hoc Review Committee (designated by each board) shall review applications. The review meeting will last until all applications are reviewed; this should be taken into consideration when scheduling the meeting. It is recommended that this meeting take place *approximately fifteen (15) business days after the application deadline date for receiving applications*. Recommendations for funding will then be presented to each board for approval. It is the responsibility of the SC Works Greater Upstate Business Services Lead (BSL), in conjunction with the Board staff, to ensure that this date is set and suitable for all reviewers.
2. The BSL will accept applications from eligible employers seeking Incumbent Worker Training grants. The application period will **be identified in a press release and on the**

UWB, GCWDB, and SC Works Greater Upstate websites. The application period will always be at least three (3) weeks in length to allow adequate time for companies to prepare applications.

The BSL will be responsible for disseminating the attached application (Attachment A) and procedures (Attachment B) with a notice announcing the application period 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
- ◆ 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
- ◆ Spartanburg Economic Future's Group Executive Director
- ◆ 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)
- ◆ Spartanburg Downtown Association
- ◆ Greer Downtown Association
- ◆ South Carolina Manufacturing Alliance (SCMA)
- ◆ Small Business Development Center
- ◆ Upstate Alliance
- ◆ Ten at the Top
- ◆ 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 Daily Times, 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 deadline date as well as the method by which applications will be accepted. Applications will be accepted by the SC Works Greater Upstate offices:

For Spartanburg, Cherokee, and Union Counties
Attn: Johnnie-Lynn Crosby, Business Services Lead
SC Works Greater Upstate

220 E. Kennedy Street, Spartanburg, SC 29302
(864) 764-1966, 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

Applications that arrive after the deadline date or that are delivered to the wrong location will not be accepted, and postmarks will not be accepted if application arrives after the deadline date (*the BSL should clearly state proper mailing addresses on all communication*). 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 for the duration of the application period. There must be a minimum of one grant awarded to employers in each county of Cherokee, Greenville, Spartanburg, and Union (if properly completed applications are received from all counties).

As applications are received, the **date and time** received should be marked in ink 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 **central file**.

3. The contact person for employer questions should always be the BSL. The SC Works Greater Upstate Business Services 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.
- Third parties or consortia acting on behalf of a group of employers are eligible to recipients of IWT (e.g., business associations, industry councils, chambers of commerce, or downtown/community development corporations).
- 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 is not eligible to receive IWT funding for the same training. Employers who are receiving ReadySC services will have their IWT funding requests evaluated on a case-by-case basis for eligibility.
- 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 before the application deadline;
- 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 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 improve the labor market competitiveness of the employees or both the employees and the employer
- Other factors, which will only be considered in the instance of a tied score between two or more companies requesting funds.
 - The employer in consideration who is proposing to train the largest number of incumbent workers should receive one bonus point.
 - Each employer requesting to train employees with an industry recognized credential should receive one bonus point.
 - Each employer who has indicated there will be layoffs averted as a result of the training should receive one bonus point.

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 incumbent worker 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).
 - There is one exception to this rule. When IWT is being provided to a cohort of employees, not every employee in the cohort must have an established employment history with the employer for six months or more as long as a majority of those employees being trained meet the employment history requirement.
 - The UWB and GCWDB have developed an additional form (Attachment M) to be completed and signed by the employer prior to receiving training. The employer guarantees that the six-month criteria above applies to the

employees receiving training through the contract and agrees to supply documentation upon monitoring. Any disallowed costs will be the responsibility of the employer.

- 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 must not come out of any other Federal funds. The employer share may include the wages the employer pays to the incumbent worker trainee while the worker is attending training.

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 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 applications are reviewed by the appropriate Board’s IWT Review Committee (hereinafter referred to as “reviewers”).

Should a reviewer’s company apply, he/she shall refrain from participating in the entire review process. Once the application deadline has passed and a list of eligible companies is made available, appropriate Board staff will ensure that a Conflict of Interest Statement (Attachment D) is completed by each reviewer, prior to the start of the review 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 having information available for review at the review committee meeting.

6. Review Committee Meeting:

During the review committee 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 review committee will evaluate data presented by the BSL and have the opportunity for input, questions, and discussion. The BSL and the appropriate Associate Director will compile scores during the meeting. Should a tie occur, the reviewers will re-evaluate the applications that are tied (separately with detailed minutes of review) and re-score those applications.

At the conclusion of the meeting, the BSL will provide the committee with a final list of trainings to be funded in order from highest to lowest scored. The committee will then recommend to the full board that IWT funding is allocated to companies in order of the rankings until state and local funding (as available) are exhausted. Any application that the committee chooses not to include in the rankings should be marked "Disapproved" with the committee date filled in.

The detailed minutes of the meeting will be distributed by the designated UWB/GCWDB staff member within five (5) working days to the appropriate Executive Director, each reviewer, the BSL, and the SC Works Greater Upstate Project Director. The BSL should keep meeting minutes at the front of the central file.

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 BSL should clearly indicate which funds are being used when submitting the final list of approved businesses to the appropriate Board staff.

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

GRANT EXECUTION

7. The UWB/GCWDB Executive Directors will receive announcement of 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 full board and execution of the IWT sub-grant to the SC Works Greater Upstate operator, the BSL will write a letter to each employer funded and not funded advising them of the board's decision. A list of IWT employer names and grant awards should be sent to the list of partners listed above (Section 2). A press release should be distributed to media outlets listed above (Section 2).
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);
 - All applications have the ending – UWB or GCWDB.

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. Once the grant has been reviewed for accuracy by the BSL, TWO (2) originals will be printed. 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 two original grants will be given to the SC Works Greater Upstate Project

Director for signature;

- SECOND, the BSL or appropriate BST member will hold an orientation meeting for all companies receiving funding (separate meetings may be held in each county) to obtain Authorized Business Signatures* on the two original documents.

*Authorized Business Representatives must be executive-level company representatives (representatives with authority to sign a legally-binding document). Should an executive-level company representative designate authority to someone within the company, appropriate written notification signed by the executive must be included as an attachment to the grant documents.

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

- Application

- ORIGINAL application to remain in the central file.
- COPY of the application must be sent to the SCDEW.

- Grant

- One (1) ORIGINAL grant (w/ a copy of the W9 form) will remain on file with the SC Works Greater Upstate Project Director.
- One (1) ORIGINAL grant (w/ a copy of the W9 form) will be given to the employer for their records.
- One COPY of 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.
- One COPY of the grant (w/ the original W9 form) will be kept by the BSL or BST member in the central file.
- One COPY of 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.

12. All company representatives who will assist in executing the grant requirements should receive training on the grant forms and requirements from BST members either during the orientation session or one-on-one. 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 at the conclusion of training. 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 **central 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 requested 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 **central 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.

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 - Trainee wages may not be used as part of the business matching amount

A monitoring report (Attachment K) should be placed in the central 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 central 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 central 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 following the ranked order list previously approved. 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. 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 SCDEW and Board staff can be submitted in lieu of the report.

Central File - There should be a central file for each company awarded a grant, including all of the information below:

- A COPY of the application received during solicitation;
- The ORIGINAL 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
- ORIGINAL of Modifications.

There should be a binder of ORIGINAL applications and minutes from the review committee meeting available for monitoring.

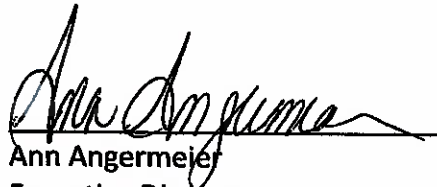
Employer Documents – The BST will assist employers in maintaining their own file that will include:

- COPY of application,
- ORIGINAL Grant agreement documents,
- ORIGINAL 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.

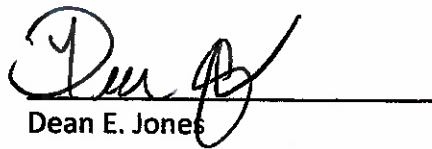
ALL IWT files should be kept and accessible for monitoring for three years after the end date of the agreements.

Additional requirements per State Instruction Number 17-03: There are additional requirements included in State Instruction 17-03. Currently, the intent and language of those requirements is unclear. Assistance has been requested for how to put those requirements into practice. Further instruction will be given at such time as additional guidance has been provided to the Local Areas. Once guidance is received, staff may need to obtain more information from employers.

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@upstateworkforceboard.org.



Ann Angermeier
Executive Director
Upstate Workforce Board



Dean E. Jones
Executive Director
Greenville County Workforce Development Board

Source: State Instruction Notice 17-03

REPLACES LOCAL UPSTATE INSTRUCTION LETTER 14-03