



Workforce
Snohomish

CRF/DOC FUNDS
INCUMBENT WORKER
TRAINING PROGRAM
GUIDELINES

808 134th Street SW
Suite 105
Everett, WA 98204

business.engagement@WorkforceSnohomish.org

Policy: 2280

Workforce Snohomish is an equal opportunity employer/program. Auxiliary aids and services are available upon request to individuals with disabilities. Washington Relay 711.

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- **PROGRAM OVERVIEW**

For businesses to remain competitive in Snohomish County's thriving economy, a well-trained workforce that is up-to-date on industry-recognized skills is necessary. The Incumbent Worker Training (IWT) program provides funding for continuing education, training, and upskilling of incumbent, or existing workers. The IWT program is designed to increase local businesses' competitiveness, avert potential layoffs, and/or upskill/backfill workers for existing Snohomish County businesses. These guidelines are specific to IWT using Community Reinvestment (CRF) funds provided by the WA State Department of Commerce (DOC).

- **AVAILABLE FUNDING AND MAXIMUM AWARD AMOUNTS**

The IWT program provides BIPOC-owned businesses up to 100% matching reimbursement for preapproved, direct, training-related costs. Funding is available up to \$100,000 per business and is capped at \$20,000 per trainee.

The matching share of the training costs paid for by the business may include:

- A worker's wages or compensation while the worker is attending training.
- Equipment, books, or software purchased for training.
- Curriculum development costs.
- On-site facility usage costs, etc.

The business may provide their matching share in cash, or in-kind fairly evaluated contributions. Official payroll records, time and attendance sheets, invoices for equipment purchases, etc. are used to determine the amount of the business' share of cost.

The business' non-federal matching share is dependent on the size of its workforce and shall not be less than:

- Zero percent of the cost, for businesses with not more than 20 workers
- 10 percent of the cost, for businesses with more than 20 but less than 50 workers
- 25 percent of the cost, for businesses with more than 50 but less than 100 workers
- 50 percent of the cost for businesses with more than 100 workers

The maximum amount is \$100,000 per business per approved training. If a business has more than one location in Snohomish County, they are treated as either one business or separate businesses depending upon their assigned Federal Employer Identification Number(s) (FEIN). If the locations operate under different FEINs, they will be considered separate businesses that will need to submit separate applications and receive separate awards. If the locations operate under a single FEIN, they will be considered one business and their training efforts, application, and award will need to cover all applicable sites.

Workforce Snohomish has set a cost reasonableness standard of \$20,000 per individual trainee per training. Although a business may conduct training that costs higher than \$20,000 per trainee, the maximum reimbursement amount Workforce Snohomish can provide is \$20,000 per training per trainee.

Businesses may apply for the IWT program multiple times per year but may only be approved for funding once within a twelve-month period. Businesses are encouraged to include multiple trainings for different job classifications in a single application to maximize available assistance.

Received applications are evaluated for potential impact on the community including Upskill / Backfill participation, wage gains of participants, credentials attained, and increased competitiveness of the business. A notification will be posted on the Workforce Snohomish website at <http://www.workforcesnohomish.org/IWT> when funds are no longer available.

- **INCUMBENT WORKER DEFINITION**

Incumbent Worker Training (IWT): Training designed to meet the special requirements of a business (or group of businesses) to skill-up and retain their workers or avert the need to lay off workers. IWT is initiated by a business that is committed to retaining the worker(s) once the training is completed.

Incumbent Worker under IWT program: a citizen of the United States or a non-citizen whose status permits employment in the United States, at least 18 years of age and has an established employment/work history with the business for 30 days or more. A 1099 contracted worker may also participate in the IWT program for CRF/DOC funds only.

In the event an IWT is being provided to a group of workers, any W2 employee or 1099 worker who can demonstrate a relationship with the business for longer than 30 days is eligible for the IWT program using CRF/DOC funds. Under this program, owners of a business are also eligible to participate in IWT.

- **ALLOWABLE TRAINING DEFINITION**

For the purposes of the IWT program, allowable training is defined as a training or educational activity that demonstrates a clear and distinct benefit to both the business and worker in terms of layoff aversion, increased wages, productivity, competitiveness and/or skill attainment. To be approved, the training described in the application must demonstrate at least one of the following:

- The worker(s) will receive an industry recognized credential/certification that is transferable should they ever separate from the employer.
- The training will lead to a backfill of open positions with enrolled participants in Snohomish County.

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

When training is provided by an entity other than an Eligible Training Provider on the State Eligible Training Provider List (found [here](#)), the training provider must meet the following criteria for demonstrated effectiveness:

- Financial stability as evidenced by length of time in business, financial statements, etc; and
- Performance delivering services to hard-to-serve populations, demonstrated by:
 - Program completion rates,
 - Skill attainment levels,
 - Certificates, credentials or degrees delivered,
 - Placement rates in unsubsidized employment,
 - Employment retention rates, or
 - Connection of the training program to needs identified in the local plan.

● **BUSINESS ELIGIBILITY**

All Snohomish County for-profit and non-profit businesses that meet the following criteria may be eligible for the IWT program:

- Have not laid off workers within 120 days to relocate to Washington from another state;
- Have operated in Snohomish County for a minimum of six months;
- Are current in unemployment insurance and workers' compensation taxes, penalties, and/or interest or related payment plan;
- Are in need of assistance in training future or current workers; are able to contract for customized, short-term, training services;
- Do not have any real, implied, or apparent conflict of interest with the training provider; and
- Are able to meet the matching requirements using allowable non-federal funds.

Labor organizations, trade organizations or consortia of employers may apply collectively to the program.

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

- **APPLICATION PROCESS**

The IWT program application must be completed online. The application can be accessed via a secure link emailed to interested businesses. To request access to the application, please send an email to business.engagement@workforcesnohomish.org.

Reimbursable training activities cannot begin until an application has been approved and a formal IWT Agreement has been executed. To ensure adequate time for the complete process, businesses are required to submit their application at least 45 calendar days prior to the desired start of training.

- a) A business may submit multiple trainings in one application for different job classifications with different skill gains.
- b) Businesses must provide identifying information; describe the training, the provider, the content and the use to the organization; and provide relevant training documents as well as the business W9 tax form.
- c) Submitted applications are sent directly to the IWT program mail box and senders will receive an automatically generated response indicating that the application was successfully submitted.
- d) Workforce Snohomish staff will apply the Review Criteria (see Section 7) to determine:
 - Is the business eligible?
 - Is the training allowable?
 - Is the cost reasonable?
 - Is the business match sufficient?
 - Does the training fit all the criteria outlined in this guideline?
- e) If approved, business information is queried with the Department of Labor to ensure there are no outstanding issues such as debarment and suspension.

Once due diligence is complete, program staff will notify the business of next steps.

TIPS FOR COMPLETING THE IWT PROGRAM APPLICATION

- **Fully review Section 4 of these Program Guidelines.** When asked to describe the impact that training will have on your organization, provide as detailed a narrative as needed to satisfy the requirements; the application will be approved or denied based on the degree to which you satisfy the criteria in Section 4.
- **Be concise but thorough.** While there is no desired length for each answer; Workforce Snohomish staff, and potential auditors, should have a full picture of what, why, and how training will occur.
- **Combine trainings when appropriate.** While applicants can submit as many trainings as desired, similar trainings do not have to be listed separately. For example, if your staff will be undergoing three separate trainings sessions on the same industrial software, you can simply enter all three sessions as one training and describe the individual components when describing training content.

- **REVIEW CRITERIA**

Once an application is successfully submitted, it will be reviewed by Workforce Snohomish staff based on the following criteria:

- a) Is the business eligible? (See Section 5)
- b) Is the training allowable? (See Section 4)
- c) Is the cost reasonable (Workforce Snohomish will be applying a cost reasonableness standard set at \$20,000 per individual trainee per training and \$100,000 per business)
- d) Is the business match sufficient to meet matching requirements?
- e) Does the training fit all the criteria outlined in this guideline?

Workforce Snohomish staff will complete an Evaluation Form and affix it to a copy of the application before entering it into Workforce Snohomish records.

If an application is denied for any reason, it will be returned to the business with instructions to address the specific causes of denial.

- If the applicant business is not eligible for the IWT program, they will be apprised of the reason why. Depending on the reason, they will be encouraged to remedy any issues that are related to their eligibility and informed of steps to reapply.
- If training is determined unallowable, the business will be informed of their ability to appeal this determination with Workforce Snohomish.
- If the amount of IWT funds per trainee exceeds \$20,000, the business will be provided the option to revise their budget and training proposal to reflect the maximum \$20,000 reimbursement cost; or to proceed with the application with the understanding that Workforce Snohomish funding will be limited to \$20,000 per trainee.

- **PROCEDURES FOR APPEALING AN ALLOWABLE TRAINING DETERMINATION TO WORKFORCE SNOHOMISH**

- a. All appeals must be filed in writing by email to business.engagement@WorkforceSnohomish.org within two weeks (14 calendar days) of initial notification of determination.
- b. The appeal should be addressed to Workforce Snohomish Chief Executive Officer (CEO).
- c. The appeal must clearly address the reasons for the initial denial of the application and further expand on how the proposed training fits the IWT program criteria.

Workforce Snohomish CEO will issue a decision within 30 days of the reception of the appeal. The decision of the Workforce Snohomish CEO is final; if the training IS determined to be allowable, all other program expectations and conditions must be otherwise met for the IWT program application to be approved.

All disputes will be handled per [Workforce Snohomish Dispute Resolution Policy](#).

- **ALLOWABLE COSTS**

The following costs are reimbursable under the IWT program; reimbursable training activities cannot begin until an application has been approved and an agreement has been executed. Businesses are required to submit their application at least 45 calendar days prior to the

desired start of training to ensure adequate time for this process.

Allowable costs for IWT Reimbursements by Workforce Snohomish

- Tuition and training provider fees
- Training material and supplies
- Software (that is used 100% for training activities)
- Curriculum development (not to exceed 25% of total request)
- Cost of training evaluation

Allowable Matching Portion of the Training Costs Paid by the Business

- All costs listed as Allowable costs for IWT Reimbursements above
- Equipment (including hardware and software) that is for the exclusive use of the training
- Trainee wages and fringe benefits cost
- In kind evaluated facility usage

All allowable expenses above assume proper documentation.

● **AWARD PROCESS**

Once an application is approved, due diligence checks are completed, and the information is properly recorded, Workforce Snohomish staff will notify the business of the IWT award.

- A standard award letter along with an invoice template is used to develop a unique agreement for that business (the final approved budget may be revised if certain unallowable costs were originally included).
- The award letter along with any other collateral material(s) will be emailed to the business.
- In the event that the training provider is a different entity than the business receiving the award, the executed agreement must have them included as a third party under the IWT.

● **INVOICE / PAYMENT PROCESS**

Payments are made on a cost reimbursement basis in which the business pays the costs up front and then requests reimbursement. Businesses must request reimbursement on a monthly basis unless extenuating circumstances require customized invoicing evaluated on a case-by-case basis. All reimbursement invoices must be submitted within 30 calendar days of the contract end date. Reimbursement requests received after the 30-day cutoff will not be processed unless mutually agreed upon before the 30 days deadline has expired. Further instructions will be made available to the business upon the AGREEMENT execution.

- Grantees may submit a completed invoice through email (WFSinvoice@concur solutions.com)
- All invoices must be accompanied by proper back-up documents (See Section 12) that justify the expenditures.
- All expenditures must be matched with the approved budget relative to the training activities.
- If there are issues with the invoice such as missing documentation, incorrect costs, etc. the grantee will be notified of the issues and asked to remedy before reimbursements can be issued.
- All invoices must include agreed upon cost matching requirements as calculated in the agreement.

● **ACCEPTABLE BACKUP DOCUMENTS**

Tuition and Training Provider Fees	<ul style="list-style-type: none"> · Include invoices for training/tuition indicating course name, charges (how total charges are calculated), and date(s) of class(es). · Include canceled check or credit card register demonstrating proof of payment. · As back up documentation attach sign-in sheets OR · Certificates of Completion.
Training Materials and Supplies	<ul style="list-style-type: none"> · Itemized receipt for purchased training materials
Software (that is 100% used for training activities)	<ul style="list-style-type: none"> · Itemized receipt/invoice for purchased training software
Curriculum Development (not to exceed 25% of request)	<ul style="list-style-type: none"> · Copy of invoice/ curriculum development service · Include canceled check or credit card register demonstrating proof of payment.
Cost of training evaluation	<ul style="list-style-type: none"> · Copy of invoice/ evaluation service · Include canceled check or credit card register demonstrating proof of payment.
Additional Cost Matching Documentation	<ul style="list-style-type: none"> · Case-by-case basis, as needed

● **PERFORMANCE REPORTING**

FINAL REPORT (All AGREEMENTS): A final report is due no later than 30 days from the completion of the IWT. All performance and final reports will be completed using an online or hard copy form, which will be accessible to you upon execution of the agreement. The final invoice is due no later 30 days after completion of the IWT and will not be processed without the receipt of the final report. Once the report is received, the final reimbursement will be released.

MID-TERM REPORT (Agreements of 6 months or longer): Businesses whose IWT award is for a period greater than six months will be required to submit a status report at their program mid-point outlining fund usage and training plans for the remainder of the agreement. Failure to submit this report to the Workforce Snohomish staff on or before the due date may render the agreement null and void. Workforce Snohomish staff will advise of the specific requirements

of this report, to include content, time frame, and other matters with information to be included with a copy of the executed AGREEMENT.

ONGOING COMMUNICATION (All AGREEMENTS): Workforce Snohomish expects to have ongoing communication with businesses regarding the progress of training. If training and reimbursement requests are occurring on a monthly basis, this is sufficient. However, if no training has occurred and no requests have been received, businesses are expected to have some form of communication with Workforce Snohomish on a quarterly basis, which may include emails or phone calls to discuss the progress of the training or delays/hindrances as specified in the contract. If no communication has occurred, Workforce Snohomish will reach out to the business contact to inquire regarding the status of the training project. If no contact is made over a three month period, this may render the agreement null and void.

- **TECHNICAL ASSISTANCE**

Workforce Snohomish is available to provide technical assistance throughout the process, from the application stage throughout agreement execution, monitoring and fiscal closeout. An individual or organization may assist a business or group of businesses in the application process, however, that individual/organization may not be compensated with IWT funds and must comply with the [Workforce Snohomish conflict of interest policy](#).

- **AGREEMENT TERMS**

The AGREEMENT will set forth all processes and expectations for administering, implementing, and completing the training. If the agreement is not executed within the aforementioned 45- day time frame, the IWT award becomes null and void unless mutually agreed by Workforce Snohomish and the business.

Training must begin and end on the dates set in the agreement and must be completed by the end date of the agreement. The business will then have 45 days to submit final reimbursement requests for training completed during the contract period.

An extension may be granted in certain cases with the mutual agreement of Workforce Snohomish and the business. A business is expected to have carefully assessed its training needs so that it will apply only for the funds needed for training that can be completed in the agreed-upon training window, with a preferred timeframe of 12 months or less.

- **FREQUENTLY ASKED QUESTIONS**

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

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

My business is participating in another training effort that is, in whole or in part, funded with federal funds; can I apply for an IWT funding to pay for the business portion of that training?

No, Workforce Snohomish does not allow IWT funds to be used alongside other federally funded training efforts.

Where may the training take place?

Training may be conducted at the business' own facility, at a public or private training provider's facility, or at a combination of sites that best meet the needs of the business. If the training takes place at a business' own facility, the cost of the training facility may count towards the business' IWT matching fund.

Who selects the training provider?

The business selects the training provider that best suits their training needs. Trainers may be public or private professional trainers, equipment vendors or subject matter experts. The business may also conduct the training themselves if they can demonstrate expertise and have delivered the training successfully in the past.

How and when will I be reimbursed?

Assuming all paperwork is submitted correctly and in full, reimbursements take place within 30 days of invoice submission.

Can my reimbursement payment be expedited?

No.

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

Yes. If an application is denied for any reason it will be returned to the business with instructions to resubmit. If the applicant employer is not eligible for the IWT program, they will be apprised of the reason why. Depending on the reason, they will be encouraged to remedy any issues that are related to their eligibility and informed of their ability to reapply. If the amount of matching funds per trainee exceeds \$20,000, the employer will be encouraged to revise their budget and training proposal so that the amount of matching funds per trainee is less than or equal to \$20,000.

If training is determined unallowable, the business will be informed of their ability to appeal this determination to Workforce Snohomish (see Section 8). Workforce Snohomish will issue a final decision within three weeks of receiving the appeal along with a justification for their reasoning.

The appeals process will cause me to miss my start date of training; but my original application met the 45-day window. If my appeal is approved, can I still proceed with my

No. The required 45-day window from application to training start date is intended to provide Workforce Snohomish with sufficient time to properly vet and review the application. The appeal process increases the amount of time needed for that vetting. While Workforce Snohomish regrets any inconvenience this delay may cause, these processes are in place to protect the taxpayer and IWT award recipients and cannot be expedited. If an appeal is approved; the training start date would have to be delayed in order for expenses to be eligible for reimbursement.

If I receive an IWT award, will there be tax implications?

There may be tax implications for receipt of IWT funding. Organizations are encouraged to discuss these implications with their tax advisors.

How is the IWT Program funded?

The IWT Program will be funded with Community Reinvestment Funds from the WA State Department of Commerce.

What is the minimum and maximum number of workers that can take part in an IWT? No.

There is no minimum or maximum. Workforce Snohomish will only fund up to its maximum of \$20,000 per worker and \$100,000 per business per training.