

# NYC Business Solutions Training Funds Program Guidelines



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|  |           |
|--|-----------|
| <b>1. General Training Funds Information</b> | <b>2</b>  |
| A. Funding                                   | 2         |
| B. Application process                       | 2         |
| C. Application evaluation and rating         | 3         |
| D. Re-application                            | 3         |
| E. Post-award process and contracting        | 3         |
| F. Progress reports                          | 4         |
| G. Payment and reimbursement                 | 4         |
| H. Modifications to project scope            | 5         |
| I. Employer assistance                       | 5         |
| <b>2. Eligibility criteria</b>               | <b>5</b>  |
| A. Eligible applicants                       | 5         |
| B. Length of time in business                | 6         |
| C. Eligible trainees                         | 6         |
| D. Wage requirements                         | 6         |
| E. Training formats                          | 7         |
| F. Length of training                        | 7         |
| G. Location and timing of training           | 7         |
| <b>3. Outcomes</b>                           | <b>8</b>  |
| A. General                                   | 8         |
| B. Wage gain                                 | 8         |
| C. New or upgraded skills                    | 8         |
| <b>4. Budget</b>                             | <b>8</b>  |
| A. General                                   | 8         |
| B. Eligible costs                            | 8         |
| C. Ineligible costs                          | 9         |
| D. Administrative payment                    | 9         |
| E. Maximum funding and employer contribution | 9         |
| <b>5. Training providers</b>                 | <b>10</b> |
| <b>6. Past awards</b>                        | <b>10</b> |
| <b>7. Reasons for rejection</b>              | <b>10</b> |

NYC Business Solutions Training Funds provides funding to enable New York City employers to invest in their workforce. By offering financial support for training, the program provides benefits for both employers and their entry-level workers. Training Funds helps employers afford training programs that can reduce turnover and increase productivity, thereby lowering the cost of doing business in New York City. At the same time, trainees benefit from new skills, increased compensation, and a higher quality of life. Through both channels, Training Funds strengthens New York City's economy.

## **1. General Training Funds Information**

### **A. Funding**

- Training Funds are awarded on a quarterly basis. Employers can find key dates for the application process by logging on to [www.nyc.gov/training](http://www.nyc.gov/training).
- The amount of available funding varies from year to year. This year \$2 million is available, with up to \$500,000 allocated for the current round.
- The maximum award is \$400,000.
- The minimum award is \$10,000.
- Funding that is not awarded in one Request for Applications round is carried over to the next funding cycle.
- Training Funds cannot be used for:
  - Training that is outside of one of four target areas:
    - 1) Training on recently purchased equipment or software
    - 2) Training to offer new services/products to reach new markets
    - 3) Training to promote current staff or give current staff new skills to advance into hard to fill positions or take on significant new responsibilities
    - 4) Training to update obsolete skills that are necessary in order for the business to be competitive
  - Training that is mandated by the government and considered the responsibility of the employer (such as sexual harassment training, diversity training, and mandated safety training).
  - Ongoing training that is already being provided by the business.
  - Training that does not provide transferable skills (such as new employee orientation).
- Applying for multiple public grants:
  - A company can apply for NYC Business Solutions Training Funds if they are applying for other public grants. However, the company must disclose whether they have received other training grants within the past three years.
  - If a company is awarded another grant from the same funding source (e.g. NYC Business Solutions, New York State Department of Labor, Workforce Investment Act), the company can only accept funding from both grants if the funds are applied to administer programs with different types of training and/or different sets of trainees.
- All components of the training program must be completed within one year following the execution of a Training Funds award contract.

### **B. Application process**

- All applicants must have submitted a pre-application that was approved by NYC Business Solutions Training Funds. The pre-application is used to assess an applicant's eligibility based upon the criteria presented in Section 2 of this document. The pre-application is available on a quarterly basis at: [www.nyc.gov/training](http://www.nyc.gov/training).
- Applications may be submitted online, via email, mail, or in person.
- All applications must be received by 5:00 p.m. on the date of the deadline. There are no exceptions. Early submission is encouraged.

- All applications submitted after the deadline will not be considered.
- Turnaround time for funding award decisions is approximately 5-6 weeks.

### ***C. Application evaluation and rating***

- Applications will be evaluated on the following criteria:
  - Statement of need and feasibility of program
  - Trainee wage gains
  - New or upgraded skills for trainees
  - Budget and cost/benefit of proposal
  - Potential impact on economic activity in New York City
- NYC Business Solutions Training Funds strives to catalyze economic activity within New York City. For that reason, the evaluation process treats favorably those applicants whose success will bring new money into the City. This can happen in two ways:
  - Selling products or services to customers outside the City
  - Attracting local customers who would otherwise purchase goods or services from outside the City
- The applicant's statement of need must address both the need for training and the need for Training Funds. Awards will not be made to fund programs that would exist without Training Funds support.
- No preference is given for training special populations (i.e. minority groups, people with disabilities, etc.). However, employers who propose wage gains for low-income workers (those who currently make \$15/hr or less) will receive favorable consideration in the evaluation process.
- Reviewers may award Funds on the condition that one or more components of training be altered or eliminated from the proposal.
- The Chief Executive Officer of the business and all training provider(s) must be willing, upon request, to meet with Training Funds staff and provide additional details regarding the training proposed or past experience administering similar training. Training providers may be required to provide references.
- For a more detailed list of the application evaluation criteria, go to the Application Evaluation section of our website at [www.nyc.gov/training](http://www.nyc.gov/training).

### ***D. Re-application***

- There is no limit to the number of times a company can apply for Training Funds.
  - If a previous application was unsuccessful and the business did not receive funding, a discussion with Training Funds staff is encouraged before reapplication to determine the reasons for rejection and which pieces of the application can be resubmitted.
  - If a previous application resulted in a Training Funds award, the funded project must be complete and closed-out. The new proposal must either significantly expand on the original project or address a new training need.
- In some cases, consortium members participating in an active Training Funds project may apply independently for a new or unique training need. Consultation with the Account Manager is advised.

### ***E. Post-award process and contracting***

- Training Funds recipients will be announced on the NYC Business Solutions website [www.nyc.gov/training](http://www.nyc.gov/training). In addition, all Training Funds applicants will be notified individually.
- In order to receive the funding, awardees must sign and execute a contract with the Department of Small Business Services. The contract process takes an average of 3-6 weeks to complete.
- If the award approved is \$100,000 or greater, or if the award plus the employer's contracts with the City in the last 12 months equals or exceeds \$100,000, the employer must submit a Vendor Questionnaire for evaluation by the City's Vendor Information Exchange System (VENDEX). This may lengthen the time necessary to process the contract. More information is available at [www.nyc.gov/vendex](http://www.nyc.gov/vendex).

- Employers must submit three original certificates of insurance, an updated project plan with individual trainee data, and payroll reports before the contract is signed.

**F. Progress reports**

■ NYC Business Solutions Training staff will monitor training progress by collecting information on a quarterly basis (every 3 months). The information collected will determine financial reimbursement for the training that has taken place in that period. Below is a list of information NYC Business Solutions Training will collect for each progress report:

- Interview with employer, conducted by phone or email
- Update Quarterly Progress Report with trainee status and course hours
- Training site visit and observation
- Summary of training expenses with backup documentation\*

\* The chart below outlines the types of costs and allowable forms of backup documentation.

| <b>Expenditure</b>                | <b>Supporting Documentation</b>   |
|-----------------------------------|---|
| External Instruction              | Cancelled checks or general ledger report accompanied by invoice  |
| Internal Instruction              | Payroll or general ledger report accompanied by invoice (invoice must include: name, hours of training, hourly wage and total cost) |
| Tuition/Fees                      | Cancelled checks or general ledger report accompanied by invoice  |
| Books or other training materials | Receipts, cancelled checks, or general ledger report accompanied by invoice   |
| Trainee Wages                     | Payroll report or general ledger report   |
| External Training Space           | Invoice accompanied by cancelled check or general ledger report   |

- The business is also required to keep trainee activity logs or sign-in sheets for each instance of training. The business is required to keep these logs on file and available for audit for at least three years after training completion.

**G. Payment and reimbursement**

- The business will receive reimbursement for the quarterly costs incurred once the documentation (detailed above) has been submitted for that quarter of training. If any documentation is missing or unclear, your reimbursement may be delayed or withheld.
- Reimbursements will be capped at the contracted award amount.
- Reimbursements will only be made on eligible and documented costs incurred and will be calculated based on the following:
  - An employer contribution will be subtracted from each reimbursement (50% for businesses with ≥ 125 employees and 40% for businesses with < 125 employees).
  - An administrative payment (10% of all training costs) will be added to each reimbursement to compensate your business for the time and resources it takes to manage a training program.
  - An additional 20% will be withheld from each reimbursement for a final close-out payment. This payment will be determined and paid out 90 days after training completion. The 20% close-out payment will be paid in full if your business meets the projected wage increases in your contract (i.e. if a business projects 75% of trainees will receive wage increases and 75% receive wage increases within 90 days of training completion, the 20% close-out payment will

be paid in full). If your business provides wage increases to some trainees but falls below the projection, the payment will be pro-rated accordingly. If no wage increases are provided within 90 days, the close-out payment will be forfeited.

### ***H. Modifications to project scope***

- Modifications to project scope must be approved by Training Funds staff.
- Awardees are expected to keep Training Funds staff apprised of the project's progress and to alert staff of any possible divergences from the approved original scope. Divergences could include, but are not limited to changes in:
  - Cost
  - Training providers
  - Number of trainees
  - Subject matter and/or length of classes
  - Number of training hours
  - Frequency of courses
  - Number/proportion of trainees receiving wage gains and/or size of wage gain (% increase)
- Employers have up to 90 days after the final contract execution date to propose modifications to their training plan. Modifications proposed after 90 days may result in a reduced or forfeited close-out payment at project completion or unconditional rescission of award.
- Training Funds staff reserves the right to approve or deny these requests based on executive level review of modified application materials submitted by the business.

### ***I. Employer assistance***

- Applicants can seek assistance by sending an e-mail to [training@sbs.nyc.gov](mailto:training@sbs.nyc.gov) or calling (212) 618-6765.
- Application assistance: Once an applicant submits a pre-application, a Training Funds account manager will reach out to discuss eligibility, answer questions, and provide information regarding the application process. Applicants are encouraged to speak with their account manager to optimize the quality of their application.
- Post-award assistance: Training Funds staff will work with companies to review the scope and budget of their project, execute a final contract, conduct site visits, monitor training progress, and evaluate final outcomes after project completion.

## **2. Eligibility criteria**

### ***A. Eligible applicants***

Training Funds applications may be submitted by either: (a) a for-profit business OR (b) a consortium of two for-profit businesses that have a similar training need. Consortia applications can be submitted by any entity that is able to demonstrate commitment from both employers.

- Examples of consortium administrators include:
  - Training provider
  - Union
  - Business association (i.e., a chamber of commerce or industry advocacy group)
  - Two employers that independently created the consortium for the purpose of applying to Training Funds
- Consortia applicants are encouraged to contact Training Funds staff by sending an email to [training@sbs.nyc.gov](mailto:training@sbs.nyc.gov) or calling (212) 618-6765 for assistance with their application before submission.

- With rare exceptions, non-profits and publicly-funded organizations are ineligible to receive Training Funds. If you represent a non-profit or a publicly-funded organization, please contact Training Funds to discuss eligibility.
- Applicants must propose training that is new, expanded, or enhanced and that could not happen without the support of Training Funds.
- Applicants must have an office or place of business located in one of New York City's five boroughs (i.e., Bronx, Brooklyn, Manhattan, Queens, and/or Staten Island).

### ***B. Length of time in business***

- There are no limitations or requirements regarding the length of time a company must be in business in order to apply for Training Funds. However, in order to be eligible, a company must already be doing business at the time of application.
- Start-ups that have not yet begun to operate are ineligible to receive Training Funds.

### ***C. Eligible trainees***

- Both new and existing employees are eligible for training. New hires are defined as employees who have not yet been hired at the time of application. All new employees are expected to be hired on a full-time basis by the end of training. Because of feasibility concerns, applicants who propose training programs with a majority of new hires will be rated less competitively than those who include a greater percentage of incumbent employees.
- Projects must propose to train a minimum of 10 employees in order to achieve better economies of scale. If an organization wishes to train a smaller number of employees, it may apply as part of a larger consortium.
- No more than 50% of the employees that a business proposes to train may be new hires
- There is no maximum number of employees that can be trained on a project.
- An employer can only receive funding to train individuals employed at an office or place of business located in one of New York City's five boroughs (Bronx, Brooklyn, Manhattan, Queens, or Staten Island) or employees who will be transferred to a NYC site after training. Employees are required to work, not reside, within New York City.
- Applicants do not have to provide the names of the employees to be trained when applying for funding. However, if a project is approved, the employer must provide this information before training begins. All trainees must be willing to be registered by NYC Business Solutions Training Funds and to have their training hours and wages tracked.
- In some cases, an employer can replace a trainee with another employee. The substitution depends on the type of training, model, and length of training. Substitution is approved on a case-by-case basis and the employer is expected to notify Training Funds staff as soon as possible should such a situation arise.
- All employees must receive a W-2 tax form by the end of training.
- For seasonal, part-time, or temporary employees to qualify for training, they must become full-time employees on the regular payroll by the end of training. To be considered full-time, a trainee must work a minimum of 30 hours per week.
- Unless otherwise specified, Training Funds staff will assume trainees work 2,080 hours per year if annual compensation calculations are needed during the evaluation process.

### ***D. Wage requirements***

- All trainees must be paid during training. Compensation must meet Federal and State minimum wage standards.
- No trainees may earn more than a pre-deduction wage of \$63,694/year (\$30.62/hr) including tips, bonuses, or commissions prior to training. This salary limitation represents 450% of the federal Lower Level Standard Income Level (LLSIL) for an individual in New York City.

- Employers must project wage gains directly related to training for at least 50% of incumbent trainees. See section 3.B. for further detail.

### ***E. Training formats***

- Applicants may apply for training that is customized or customized and on-the-job.
  - On-the-job training refers to training provided to a paid participant who is engaged in productive work. On-the-job training must take place in the environment in which the trainee will carry out his day-to-day duties (not in a classroom). Trainees should acquire job-specific skills during the training that help them advance to a new position, take on new responsibilities, or perform a new type of work. Any proposal that includes on-the-job training must also include customized training. Examples of on-the-job training include:
    - Waiter-in-training at a restaurant accompanying a more experienced waiter as he services tables
    - Machine operators learning to operate new equipment on the factory floor under the direction of a more experienced machine operator
    - Air conditioner repairman learning to repair gas heaters by following workers already skilled at servicing heaters, and vice versa (i.e., cross training)
  - Customized training is training that is comprised of activities outside of an employee's regular job responsibilities. Examples of customized training include but are not limited to: classroom training, online training, work-readiness training, or any training that engages the services of an external consultant or instructor.
- Customized training may provide employees with either occupational skills (i.e., those designed for a specific occupation) or work readiness. Work readiness can include the following:
  - Literacy (includes reading and English as a Second Language [ESL])
  - Numeracy (Math skills)
  - Work Behavior
  - Customer Service
  - Basic Microsoft Office
- Applicants may request funding for online or computer-based training.
- Applicants may request funding to train employees to provide instruction to other employees.
- Applicants may combine several types of training into a single application. For example, a glass factory may submit a single application that proposes one cohort being trained to become glass cutters and another cohort being trained to become glass blowers. Training programs need not begin and end on the same dates.
- Applicants may propose a project that provides multiple types of training to the same employees (i.e., Oracle software and customer service training for account executives).

### ***F. Length of training***

- The maximum number of hours any one trainee may participate in training is 400.
- Training must be completed within one year from the execution of a Training Funds award contract.
- Extensions for training projects that take longer than anticipated will be given on a case-by-case basis. If a project will take longer than initially expected, the employer must notify Training Funds staff immediately.

### ***G. Location and timing of training***

- Training sessions may be held outside of NYC (however, transportation costs are not eligible for Training Funds).
- The employer is expected to begin the project within one month of signing the contract.
- Training Funds can only be used for training that occurs after the applicant has been notified of an award being made.

- Start and end dates of training can be changed from those stated on the application as long as the change does not affect the total length of time in training or the training cost.

### **3. Outcomes**

#### **A. General**

- Key outcomes that are measured include trainee wage gains, new or upgraded skills directly linked to the training program, and key business outcomes such as productivity gains.
- Any employer that receives funding is expected to track trainees' progress and wage increases.
- Training Funds staff will monitor projects regularly during training and after completion.

#### **B. Wage gain**

- Wage gains are required for at least 50% of incumbent trainees.
- Wage gains are expected to be commensurate with industry standards and with the skill(s) attained.
- Wage gains must be directly tied to the training program.

#### **C. New or upgraded skills**

- Training should help employees to perform current or new responsibilities more effectively and should strengthen skill sets that are applicable across one or several industries.
- Training should be designed to increase career growth opportunities for trainees.
- Wherever possible, employers should use industry-recognized standards, such as certifications and licenses, to measure work readiness or occupational skill acquisition.
- Employers wishing to develop in-house testing to measure skill upgrades are encouraged to do so and asked to provide a brief explanation in their application.

### **4. Budget**

#### **A. General**

- An application's budget must include all applicable information requested. The organization may be asked to provide further clarification after submitting an application.
- For proposals that contain elements of both on-the-job and customized training, please contact your account manager to assist you in completing the application budget.
- To determine whether a project's costs are reasonable, a comparison to similar types of training may be performed.
- For consortia applying, each employer must contribute to the training program. The employer contribution cannot come from an organization applying on behalf of consortium members.

#### **B. Eligible costs**

- On-the-Job Training: The only eligible costs are trainee wages for hours spent in training (tips, bonuses, and commission are not eligible for reimbursement) and administrative costs.
- Customized Training:
  - External instruction: The cost of off-site tuition or the salary of an external training provider.
  - Internal instruction: Wages paid to internal staff who provide training to trainees as part of the Training Funds project.
  - Training curriculum development: Time spent customizing curriculum to address the specific training need.
  - Additional space rented specifically for training.
  - Trainee wages for hours spent in training (tips, bonuses, and commission are not eligible for reimbursement).

- Training-related books, materials, supplies, and software:
  - Training Funds cannot be used for items that will be used to produce goods or services for sale or items used for normal business operations.
  - The employer is expected to demonstrate that training costs are reasonable.
  - Manufacturing supplies may qualify if necessary for training.
  - Software costs are eligible if training-related. For example, if an employer is training employees to become certified on specific software, the portion allocated to the training modules can be covered. Training Funds cannot pay for software used for the company's ongoing business operations.
  - Development of materials to facilitate training, such as a training video, may be eligible if the materials are customized to address the specific training proposed.

### **C. Ineligible costs**

The following costs are ineligible for reimbursement and will not be calculated as part of the employer's contribution:

- Fringe benefits: Only the employee's base salary can be factored in the cost of training.
- Equipment, including equipment leased such as copiers or laptop computers.
- Renovation of facilities.
- Travel expenses.
- Uniforms.
- Purchase of tools that will facilitate the tracking of outcomes. It is the employer's responsibility to track outcomes and produce the documentation to verify that the outcomes have been met.
- Costs related to hiring a temporary worker to perform the duties of the employee being trained. The wages of the temporary worker will not be covered. Only the wages of the employee being trained can be factored into the cost of the project.
- Certification fees are not eligible unless such fees are included in the instruction fee.
- Training Funds cannot be used to subsidize the costs of employee orientation programs.
- On-the-job training: Any costs outside of trainee wages, such as supervisory wages, etc.

### **D. Administrative payment**

- In acknowledgement of the time and resources required to participate in the program, Training Funds offers an administrative payment of up to 10% of the total training costs.
- Training Funds recipients are expected to use their administrative payment to provide the resources necessary to manage the program (i.e., report trainee wages and training activity, provide receipts and proof of payment to Training staff for reimbursement, etc.).
- At the employer's discretion, consortium organizers may receive some or all of the administrative payment given to Training Funds recipients.

### **E. Maximum funding and employer contribution**

- The following table outlines the maximum funds a business can receive:

| <b>Business Size</b>               | <b>Base Training Funds Payment</b> | <b>Administrative Payment (associated with training)</b> |
|------------------------------------|------------------------------------|--|
| Business with $\geq$ 125 employees | Up to 50% of total cost            | Additional 10% of total training cost                    |
| Business with <125 employees       | Up to 60% of total cost            | Additional 10% of total training cost                    |

- Employers must contribute at least 30%- 40% of program costs, based upon the chart above.
- For consortium applicants, the Training Funds payment will be based on the average size of the businesses. If the majority of businesses have 100 employees or more, Training Funds will cover up to

50% of the total cost. If the majority of businesses have fewer than 100 employees, Training Funds will cover up to 60% of the total cost.

## 5. Training providers

- Multiple internal and external training providers are permitted. The company may be asked to provide additional information about external training providers.
- To search for training providers, applicants can use the Training Provider Directory (<http://mtprawvwsbswtp.nyc.gov/Search/Search.aspx>). Please note that the Training Provider Directory is just one source among many and that training providers do not have to be in the Training Provider Directory to receive Training Funds.
- If a training provider offers certified instruction, it should be licensed through the NY State Department of Education, the Board of Proprietary Schools, or another industry oversight organization.

## 6. Past awards

The following are examples of recent NYC Business Solutions Training Funds projects:

### ■ Construction:

A full-service remodeling and construction firm trained their entry-level workers to more efficiently estimate and manage costs. Once promoted, these employees trained the new hires that filled their old positions.

### ■ Financial Services:

A Flushing, Queens-based accounting firm trained new and current staff in Quickbooks and basic and advanced accounting.

### ■ Food Services/Accommodation:

A Bronx-based company specializing in Latin-inspired catering and events trained their wait-staff to become Captains and Maitre'Ds in a thirteen week program focusing on new catering software, event planning and preparation, and management skills.

### ■ Healthcare:

A healthcare union, working on behalf of hospital employers, trained Certified Nursing Assistants, Medical Transporters, and Patient Representatives for Operating Room Technician positions.

### ■ Information and Professional Services:

A business equipment company trained account executives, field service representatives and supervisors in Oracle software, A+, and N+ Networking.

### ■ Manufacturing/Industrial:

A seafood processing company at the New Fulton Fish Market provided training in fish cutting, handling and packaging techniques to prospective employees. Trainees were hired for new shifts that were added to the company's operations.

### ■ Retail:

A supermarket trained new employees on-the-job for sixteen weeks at its Manhattan stores to become assistant department managers at a new store in Red Hook, Brooklyn.

## 7. Reasons for rejection

Common reasons why applications have not been funded in the past include:

- The application is incomplete.
- The project does not meet eligibility requirements.
- The project costs do not reflect the proposed activities.
- The project plan does not indicate clear outcomes for the training.
- The project does not address new or upgraded skill sets.
- The project scope is not timely or feasible.