

CUSTOMIZED TRAINING PROGRAM

FREQUENTLY ASKED QUESTIONS

Updated November 2020

What is the Customized Training Program?

Customized Training is a competitive, reimbursable, training grant program that helps NYC-based businesses train and retain their employees. Businesses must be for-profit, operating for at least one year, and able to pay for training upfront.

Can the grant be used for any training needs?

The grant supports businesses in need of training in one or more of the following areas:

1. Training on recently purchased equipment or software
2. Training to offer new services/products to reach new markets
3. Training to give current staff new skills to advance into hard to fill positions
4. Training to update obsolete skills that are necessary for the business to be competitive

Does the business pay for training costs up front?

Yes. Businesses pay all training costs up front and get reimbursed 50-60% of the training costs on a quarterly basis.

How is the percentage that the business contributes determined?

The percentage is based upon the number of employees at the business.

- Up to 124 employees = 40% contribution
- 125+ employees = 50% contribution

What training costs are reimbursable?

- Training tuition/registration
- Instructor/Trainer wages (if not included in the tuition)
- Books/Training Materials
- External space rental
- Trainee wages while the trainee is engaging in On-the-Job training*

Note: Instruction, Books/Materials/Supplies, and External Space are only eligible for **Classroom** and **Online** Trainings. Trainee wages are the only eligible costs for **On-the-Job** training.

All expenses must be reasonable, necessary, allowable and conform to the regulations found in the Uniform Administration Guidance.

How likely is a business to receive a grant?

If the business can front all training costs, is current on state and federal tax obligations, meets all eligibility requirements, and submits a comprehensive application, they are likely to be selected. Each application is evaluated on its own merit and there is not a limit to the number of businesses that can be awarded.

When do you review applications?

Applications can be submitted year-round and are reviewed and selected four (4) times per year: March, June, September, and December. For a complete list of application deadlines please visit <https://www1.nyc.gov/nycbusiness/article/train-your-team-customized-training>

Do all employees have to take the same courses/trainings?

They can but do not have to. It is up to the business to choose trainings for their employees that meet the business' needs.

Will the grant cover equipment and/or software purchases?

No, it does not. However, grants can be used to train employees on how to use new equipment and/or software. the New York State Department of Labor's website.

What information is collected about the trainee(s)?

Each employee must fill out on an online Customer Information Form (CIF) that includes their name, contact information, Social Security Number, date of birth, and work history.

Do businesses pay employees' during training?

Yes, businesses are required to pay employees their regular wages during training.

Are there any salary restrictions on who is eligible?

All eligible employees must meet Federal and State minimum wage standards and earn no more than \$37.47 hourly (\$77,936 annually). In addition to the salary cap, most of the trainees must make \$26.28 per hour or less.

Do I need to increase all trainees' wages after the program?

Ideally. The goal is for businesses to identify trainings that will have an impact on their bottom line and to pass along a portion of these benefits to employees in the form of wage increases. There is no percentage requirement as to how much of a wage increase must be provided.

Can business owners participate in training?

Yes, however, their participation is not eligible for reimbursement through the grant. If you're a business owner, please check out our [free business courses](#).

Is it necessary to complete all the paperwork?

Yes. Due to auditing and reporting requirements, it is necessary for businesses to adhere to the procedures and provide all required documentation during participation in the program. Our staff will help you navigate each stage of the program.

Where does the funding come from?

The grant funds come from a combination of city funding and federal funding through the Workforce Innovation & Opportunity Act (WIOA).

What documentation do I need to submit to get reimbursed (quarterly) for training costs?

External Training: Invoices from the training provider that includes your company name, course name and date, number of hours, and total costs.

Internal Training: Invoice and/or spreadsheet of total hours and dates that correspond to training sign-in sheets.

Proof of Payment: Credit card statement, bank statement, and/or front and back of paid check. Payroll for internal instructions.

Sign-in Sheets: Sign-in sheets for each training course that includes instructor's signature, date, total hours (excluding breaks), and trainee's names and signatures.

Payroll: Payroll is required to reimburse for trainee wages while engaged in On-the-Job training.

What training costs are not reimbursable?

- Employee or trainer travel, lodging, and/or food
- Equipment or software
- Capital improvements
- Costs incurred prior to the contract start date

How often will I get reimbursed?

Our team will provide a timeline highlighting specific reimbursement and close-out payment dates. Businesses are required to submit all training documentation to get reimbursed on a timely basis.

- Four (4) quarterly reimbursements, which are based on training costs
- One (1) close-out payment, which is comprised of three parts: 1) administrative payment; 2) outcomes payment; and 3) trainee completion credit

Why do businesses only receive 80% of each quarterly reimbursement?

SBS withholds 20% of each quarterly reimbursement (training costs) until the end of the program to determine if the business has fulfilled its projected wage increases for incumbent workers. This is part of the close-out payment and is referred to as the outcomes payment.

What is an incumbent worker?

An incumbent worker is someone who has worked for the business for at least 6 months at the time of the contract start date.

Do all trainees need to be incumbent workers?

No, but a majority of the trainees must be incumbent workers.

Is there any training available for businesses with less than 10 employees?

Currently, no. However, businesses are able to apply jointly as a consortium application to meet the trainee requirement. Please reach out to the Customized Training team for more information on applying as a consortium.

What is the close-out payment?

The close-out payment occurs after the business has submitted post-training payroll (submission due no later than six months after the last date of training). The three parts are:

1. Program Outcomes: SBS withholds 20% of each quarterly reimbursement and releases a prorated payment based on the actual number of incumbent workers who received wage increases as compared to the total number of incumbents registered in Worksource1 (online tracking database). While this payment is only applicable to incumbent workers, it is strongly encouraged that eligible new hires also receive wage gains.

Example:

A business registered 10 incumbent trainees with all 10 expected to receive wage gains.

Post-training: Only 5 of the 10 incumbent trainees received wage gains.

Result: The business will receive 50% of the 20% withheld from the combined quarterly reimbursements.

2. Trainee Completion Credit (TCC): The TCC is unique to each business. It is a formulated dollar amount based on trainee wages and training hours for all trainees. The business will receive a TCC for every trainee who completes at least 75% of training hours as projected in the application.

Note: hours associated with On-the-Job training are **not** included in the TCC calculation.

3. Administrative Payment: The administrative payment is 10% of the total training costs. This amount is given back as an acknowledgement of the administrative work the business is responsible for throughout the duration of their Customized Training project.

Can I apply again if I've previously received a grant?

Yes, and we strongly encourage it. Businesses interested in applying for another Customized Training grant are required to wait three months between the close-out of the prior project and submission of a new application. To be eligible for a new grant, businesses must have:

- ✓ Completed at least 50% of training in their prior Customized Training project; and
- ✓ Provided wage gains to at least 75% of incumbent workers

Businesses who have received Customized Training grants can be awarded up to three times in a six-year period.

Businesses who have been denied can reapply up to two times in one calendar year. However, they are required to meet with SBS prior to submission of another application.