

Customized Training

Program Guidelines

Improve Productivity | **Reduce** Turnover | **Stay** Competitive



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Updated July 2018

For assistance, email training@sbs.nyc.gov or call (212) 618-6765

NOTE: Administrators of the Customized Training Program reserve the right to amend or deviate from these Program Guidelines at any time, without advance notice.



I. Before You Apply

What is Customized Training¹: Customized Training is a competitive program that provides funding to enable New York City business owners to invest in their workforce.

What's in it for you: With financial support, business applicants can afford training programs that can impact a business's bottom line; for example, by reducing turnover, becoming more efficient or productive, or by increasing and retaining customers.

What's in it for us: As your employees gain new skills and become more valuable, they are compensated with wage increases. This creates a more highly skilled workforce with a better quality of life.

The Basics

- A. Award and application deadlines can be found on our website: www.nyc.gov/training.
 - a. The maximum award is \$400,000
 - b. The minimum award is \$10,000
- B. Customized Training awards are paid out on a *reimbursement-basis* and cover a portion of the costs of a training program.
 - a. 80% of the award is provided in quarterly reimbursements throughout the duration of the training project
 - b. 20% of the award is held until project close-out (see page 9 for more information)
- C. Customized Training awards **can only** be used to support one of the following categories of business needs:

Training on recently purchased equipment or software

Training to offer new services/products to reach new markets

Training to promote or give current staff new skills to advance into hard to fill positions

Training to update obsolete skills that are necessary in order for the business to be competitive

- D. Customized Training **cannot** be used for the following:
 - a. Training that is mandated by the government and considered the responsibility of the business owner (such as sexual harassment training, diversity training, and mandated safety training).
 - b. Ongoing training that is already being provided by the business owner.
 - c. Training that does not provide transferable or advancement of skills (such as new employee orientation).



Types of Training

Applicants may combine several types of training into a single application. Training programs do not need to begin and end on the same dates and not all trainees have to take the same type of training. Training may include one or both types:

Customized

Training activities that occur outside of an employee's regular job responsibilities

Example: Classroom or online training led by an external consultant, instructor, or internal staff person

On-the-job*

Training activities that occur while an employee is engaged in productive work

Example: Shadowing a manager to further develop a new skill

**Any on-the-job training must also include Customized Training*

Training can provide employees with either:

Occupational skills



Specific skills needed to perform an actual task or function required by an employer



Operating a new piece of equipment or software system



Managing projects or staff in a higher level position

Work-readiness skills



Foundational skills needed to perform a variety of positions



English as a second language



Communication/Problem Solving



Who is Eligible?^{2,3}

Businesses must:

- Be a for-profit business (or two jointly applying for-profit businesses that have a similar training need.)
- Be located in one of New York City's five boroughs
- Demonstrate the ability to pay for training upfront
- Project wage increases for at least 50% of currently employed trainees
- Propose to train at least 10 employees (with no more than 50% as projected new hires)

Employees must:

- Be either a new employee or an incumbent employee
- Be working in one of New York City's five boroughs
- Be over 18 years old
- Be paid during training (must meet Federal and State minimum wage standards)
- Earn less than a pre-deduction wage of \$71,919/year or \$34.57/hour
- Meet all applicable Federal Selective Service requirements

Eligible Customized Training Costs

- **External Instruction:** The cost of tuition or the salary of an external training provider.
- **Internal Instruction:** Wages paid to internal staff that provides training to trainees as part of the Customized Training project.
- **Curriculum Development:** Time spent customizing a curriculum to address the specific training need.
- **External Space:** Space that is rented specifically for training.
- **Trainee Wages:** Wages for hours spent in training (tips, bonuses, and commission are not eligible for reimbursement).
- **Books, Materials and Supplies:** Materials that are specifically training related and cannot be used for items that will produce goods or services for sale or items used during normal business operations.

Eligible On-the-Job Training Costs

- **Trainee Wages:** The only eligible costs are trainee wages for hours spent in training (tips, bonuses and commission are not eligible for reimbursement).



Ineligible Training Costs

The following is a non-exhaustive list of costs that are ineligible for reimbursements and will not be calculated as part of the employer's contribution:

- Business owners may not request compensation for conducting training
- Fringe benefits (only an employee's base salary can be factored into the cost of training)
- Purchasing equipment, such as copiers or laptops computers
- Travel expenses
- Renovation of facilities
- Uniforms
- Costs related to hiring a temporary worker to perform the duties of an employee being trained. Only the wages of the employee being trained can be factored into the cost of the project.
- Any on-the-job training cost outside of trainee wages.
- Purchase of tools that will facilitate the tracking of outcomes.
- Training funds cannot be used for items that produce goods or services for sale.

Calculating the Award

Business size	Base Customized Training award		Administrative payment ⁴		Maximum award
More than 125 employees	Up to 50% of the total cost	+	Additional 10% of total training cost	=	up to 60% of total costs
Less than 125 employees	Up to 60% of the total cost	+	Additional 10% of total training cost	=	up to 70% of total costs

Employer Contribution⁵: Business applicants must contribute **at least** 30% - 40% of program costs, based upon the chart above.

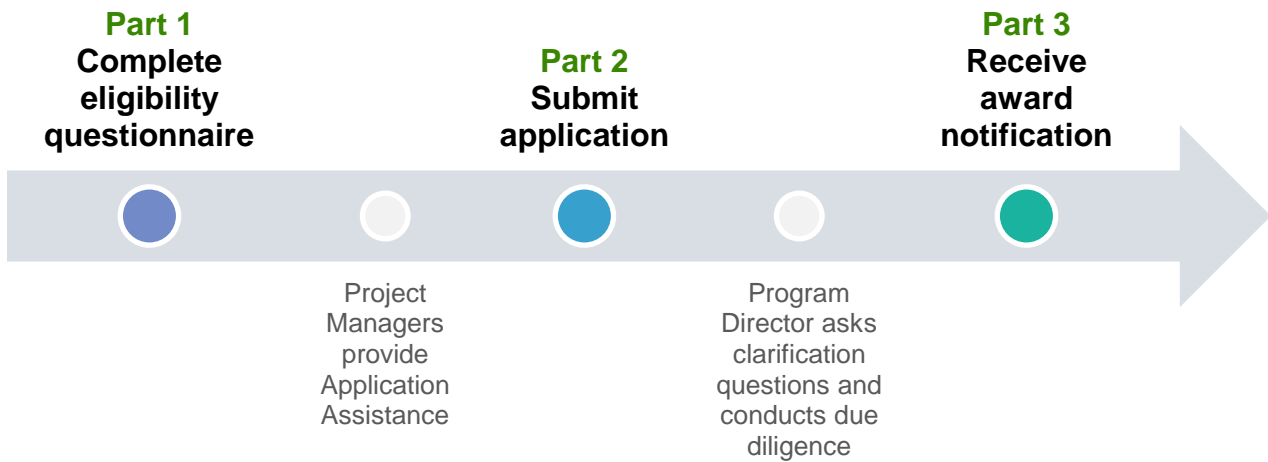
Administrative Payment: An additional payment provided in acknowledgment of the time and resources it takes to manage the training program.

For Joint Applicants

Award will be determined based on the average size of the businesses. If the two businesses have a total of 125 employees or more, Customized Training will cover up to 50% of the total cost. If the majority of businesses have fewer than 125 employees, Customized Training will cover up to 60% of the total cost. Each joint applicant must contribute to the training program.

The employer contribution cannot come from an organization applying on behalf of joint applicants. At the employer's discretion, third-party organizers may receive some or all of the administrative payment given to Customized Training recipients.

II. Applying



Part 1: Eligibility Questionnaire

The questionnaire must be filled out online at www.nyc.gov/training.

- Applicants are notified of their eligibility status within 48 hours upon submission of Part 1.
- Customized Training program staff will reach out directly to discuss eligibility, answer questions and provide information.

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Customized Training Application

* Indicates required fields

Thank you for your interest in NYC Business Solutions Customized Training, a service provided by the New York City Department of Small Business Services. Since 2007, Customized Training awards have helped more than 100 small businesses across the five boroughs grow and expand.

To begin the application process, please take just a few minutes to answer the questions below.

BUSINESS/ORGANIZATION NAME*

BUSINESS OWNER'S FIRST NAME*

BUSINESS OWNER'S LAST NAME*

Part 2: Customized Training Application

The application will be emailed to eligible applicants.

- Applicants are encouraged to participate in an **application assistance session** with a project manager.
- Applications may be submitted via email, mail or in-person. Only complete applications will be considered.
- Upon submission of the application, program staff will conduct due diligence and clarifications before award consideration.



Among other things, applications are evaluated on⁶:

- Need for funding and need for training
- Feasibility of program
- Training launch date
- Trainee wage gains
- Percentage of low-income trainees
- New or upgraded skills for trainees
- Budget and cost-benefit of proposal
- Potential impact on economic activity in New York City



Note: 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.

The Chief Executive Officer/Owner of the business and all training provider(s) must be willing, upon request, to meet with Customized Training staff and provide additional details regarding the training proposed or past experience administering similar training. Training providers may be required to provide references.

Part 3: Award Notification

Business applicants who submit an application to the Customized Training program will be notified individually of their award status by letter and/or email within two weeks of the scheduled evaluation.

Evaluators may award funding on the condition that one or more components of training be altered and/or eliminated from the proposal.

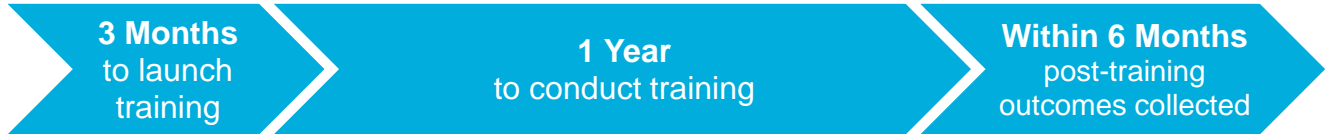
Common reasons for rejection include: Incomplete application, application does not meet eligibility requirements, clear outcomes are not indicated, project scope is not timely or feasible, etc.

Re-application

- There is no limit to the number of times a business can apply for Customized Training.
 - If a previous application was unsuccessful and the business applicant did not receive funding, a discussion with Customized Training staff **is required** before reapplication to determine the reasons for rejection and which pieces of the application can be resubmitted.
- If a previous application resulted in a Customized Training award, the funded project must be complete and closed-out before reapplication. The new proposal must either significantly expand on the original project or address a new training need.



Training timeline



Training Providers and Search Assistance⁷

Business applicants may use the [Training Provider Directory](#) for assistance with a training provider search.

The Training Provider Directory is just one source among many. Training providers **do not** have to be in the Training Provider Directory to deliver Customized Training.

Search by course or school

Select Industry

Select Job Title

Find Courses by

Borough

OR

Zip Code(s) Zip Code 1 Zip Code 2 Zip Code 3

[Show Advanced Options](#)

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. This is the responsibility of the applicant to ensure.



Specific Training Providers must be listed in the application. The Customized Training Program will not accept applications with “TBD” or “{business name} staff” listed as the training provider.

III. Grant Awarded

Project Manager

Each awarded business will be assigned a Project Manager as its primary contact person to assist them for the duration of their time with the Customized Training program. This person will work with the business to:

- Review the scope and budget of their project
- Execute a final contract
- Conduct site visits
- Monitor training progress
- Evaluate final outcomes after project completion

Kick-off Meeting

Awarded businesses will meet the Customized Training Project Manager for a Kick-Off meeting within the first few weeks of award notification. The purpose of this meeting is to review the process of working with SBS over the duration of training and go over documentation required for contracting, receiving reimbursements and closing-out a project.

Working Session

The Working Session is a meeting at the business location designed for the Project Manager to review and collect pre-contract documentation, answer questions and provide additional technical assistance. The Project Manager may also review the draft contract and work with the awarded business to select an appropriate contract start date.

Contracting for the Customized Training Program

Awarded businesses must sign and execute a contract with the Workforce Development Corporation to receive any funding. The Project Manager will require the following before a contract is executed:

1. An original Certificate of Insurance and proof of worker's compensation
2. Trainee registration online with the [Workforce 1 system](#) or submission of hard-copy, original Customer Information Forms (CIFs) and date of birth verification
3. Pre-training payroll for all trainees



Awarded businesses unable to launch training, register trainees, and execute a contract within 3 months of the award date risk withdrawal of their award. Businesses will only be reimbursed for expenses incurred during the contracted period.



Contract Modification

Awarded businesses have up to 90 days after the final contract execution date to propose modification to the original awarded application. Modifications proposed after 90 days may result in unconditional rescission of award.

Modifications to the project scope **must** be approved by a Customized Training staff member. The Customized Training program reserves the right to approve or deny these requests based on review of modified application materials submitted by the business.

Project Monitoring and Reimbursements⁸



Site Visits: Project Managers will conduct one or more site visits to evaluate training throughout the duration of the Customized Training project.



Interviews: Project Managers may perform progress interviews, conducted by phone or email, throughout the duration of the project.



Reimbursement Documentation: Reimbursement documentation, demonstrating approved training related expenses incurred may be submitted by the awarded business on a quarterly basis.

Reminder

Awarded businesses are expected to keep Customized Training staff apprised of any possible divergences from the original approved scope, including:

- Number of trainees
- Cost
- Training hours
- Training providers
- Wage gains

The chart below outlines the types of costs and allowable forms of backup documentation:

Expenditure	Supporting Documentation <small>(business must provide supporting documentation listed for each expenditure)</small>
External Instruction	1. Cancelled checks <i>or</i> general ledger report <i>or</i> bank statements 2. Invoice from training provider detailing training 3. Copies of sign-in sheets or activity logs⁹ .
Internal Instruction or Internal Curriculum Development	1. Payroll <i>or</i> general ledger report 2. An invoice (invoice should include: name, hours and dates of training or curriculum development, hourly wage and total cost) or copy of curriculum and documentation of development activity 3. Copies of sign-in sheets or activity logs¹⁰ .
Tuition/Fees	1. Cancelled checks <i>or</i> general ledger report <i>or</i> bank statements 2. Invoice from training provider detailing training
Books or Other Training Materials	1. Receipts, cancelled checks, bank statements <i>or</i> general ledger report 2. Invoice, if applicable
Trainee Wages	1. Payroll report 2. Copies of sign-in sheets or activity logs¹¹ .
External Training Space	1. Invoice 2. Cancelled check, bank statement <i>or</i> general ledger report



Calculating the Reimbursement

$$\left[\begin{array}{l} \text{Quarterly} \\ \text{Training Costs} \\ \text{Incurred} \end{array} - \begin{array}{l} \text{Employer} \\ \text{Contribution} \end{array} \right] \times 80\% = \text{Quarterly Reimbursement Total}$$

Employer Contribution: Employers must contribute 30% - 40% of the program costs.

Administrative Payment: An additional payment provided in acknowledgment of the time and resources it takes to manage the training program.

Close-out Payment: The 20% that is withheld from each quarterly reimbursement for outcomes (see close-out section below).

Finishing up the Project¹²



Project Close-out happens up to six months after the final day of training. Post-training payroll will be collected anytime between training completion and six months after training completion, to determine the number of trainees who received a wage increase. As a reminder, wage gains projected for incumbent trainees must be directly tied to the training program. Additionally, it is the business' intention that all newly hired employees remain employed upon completion of training.

Close-out Payment calculation

The Close-out Payment will be paid to the business in full *if* the business provides 100% of incumbent trainees with a wage increase upon completion of training.

If less than 100% of incumbent trainees receive a wage increase, the close-out payment will be pro-rated accordingly (i.e. If 90% of trainees receive a wage increase, the business will receive 90% of the Close-out Payment.)

Additionally, the Project Manager will send the business three evaluation forms:

- **Business Results Survey:** This survey gives businesses the opportunity to answer questions related to the successes and challenges of the training project.
- **Business Satisfaction Survey:** This survey allows businesses to share its experience with the overall training program and Customized Training staff and provide recommendations or feedback.
- **Trainee Feedback Form:** This form allows trainees to give anonymous feedback on the overall effectiveness of the training.

From these surveys, SBS hopes to learn more about key outcome such as:

- New or upgraded skills for trainees
- Revenue increases
- Certifications or licenses obtained
- Increase or retention of customers
- Productivity or efficiency increases
- Decrease in turnover rate



IV. Examples of Past Awards

The following are examples of recent Customized Training projects:



Training on recently purchased equipment or software:

A wholesale food distributor trained its employees on new inventory management software that would allow it to decrease order processing errors to vendors.



Training to offer new services/products to reach new markets:

A food manufacturing company trained its employees in food technology and national and international quality certifications. These upgrades allowed the business to reach larger retailers.



Training to promote current staff or give current staff new skills to advance into hard-to-fill positions or take on new responsibilities:

A home care agency used training to advance 10 home care workers into supervisory and administrative roles, leading to better care coordination and cost reduction.



Training to update obsolete skills that are necessary in order for the business to be competitive:

An auto body shop taught its employees to service the hybrid and electric vehicles that were arriving with increasing frequency at its shop.

¹ Customized Training is an incumbent worker training program under the Workforce Innovation and Opportunity Act section 134. The term “incumbent worker” is defined in WIOA Final Rule section 680.780.

² [Federal Selective Service Registration and Information](#)

³ Minimum Wage Requirements: [New York State](#); [Federal](#)

⁴ The Administrative Payment is subject to funding availability.

⁵ According to the Workforce Innovation and Opportunity Act section 134 (d) (4) (D) (iii), the federal law that funds the City’s Customized Training program; a graduated scale employer match is permitted for Incumbent Worker Training. The Customized Training team reserves the right to adjust the employer match in accordance with these terms.

⁶ Icons used with permission from <https://icons8.com/>

⁷ Icons used with permission from <https://icons8.com/>

⁸ Icons used with permission from <https://icons8.com/>

⁹ Every awarded business must keep trainee activity logs, or sign-in sheets, for each instance of training. All activity logs are subject to review to determine eligible expenses. The business is required to keep these logs on file and available for audit for at least six years after training completion.

¹⁰ See footnote 9.

¹¹ See footnote 9.

¹² Icons used with permission from <https://icons8.com/>