

# Rivers East Workforce Development Board

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RIVERS EAST LA ISSUANCE 2021-29 CHANGE 2

SUBJECT: INCUMBENT WORKER TRAINING

PURPOSE: To establish guidelines and the application process for businesses to request incumbent worker training funds.

ACTION: Businesses should be directed to contact Local Area Board staff to begin the review and application process.

EFFECTIVE DATE: November 10, 2021

REVISION DATE: January 14, 2026

A handwritten signature in black ink that reads "Jennie Bowen".

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Jennie Bowen  
Workforce Development Director

Attachment

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Mid-East Commission • Workforce Development Department  
"Committed Equal Opportunity Employer/Programs"

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## **Incumbent Worker Training Eligibility and Guidance**

Incumbent Worker Training (IWT) is designed to meet an employer's (including a group of employers) specific need to upskill and retain its current workforce or avert the need to lay off employees. By assisting eligible employers to identify training options and provide resources to train workers, the IWT should result in increased competitiveness of the employee and the employer. An ideal IWT would be one where a participant acquires new skills allowing him or her to move into a higher wage job within the company, thus allowing the company to hire a job seeker to backfill the IW's position. To implement WIOA's focus on employer-driven services based on industry demand and employer need, the Rivers East WDB will:

- Allocate up to 20% of the combined total of Adult and Dislocated Worker allocated formula program funds for employee trainings to meet a specific employer need.
- Gather and maintain the individual employees demographic information as required in NCWorks.gov listed below.
- Accept grant applications year-round, as long as funding is available.
- The maximum grant amount per award is \$ 10,000 with a lifetime maximum of \$100,000 per two year cycle. Collaborative grants with two or more businesses have a maximum award of \$15,000; same lifetime maximum. The collaborative award amount will be equally proportioned among all of the businesses listed on the application.
- Focus on training related to in-demand career clusters such as healthcare, advanced manufacturing, agriscience and biotechnology, and business support services for small to medium sized businesses. However, all applications that meet the eligibility criteria below will be considered.

### **Application Process**

Employers must complete and submit the pre-award analysis and grant application to be considered. Feedback will be provided as needed for revision. These documents will be reviewed and approved by the Business Services Manager and/or WDB Director before approval is recommended to the Board. All applications require approval by the WDB by in-person or electronic vote.

After a grant is approved by the Board:

- A contract will be established between the WDB's administrative entity, Mid-East Commission, and the business for a 12 month period.
- On or before the training begins, the employer will submit a Trainee Application for each employee receiving training

### **Reimbursement Process**

After completion of the training, the business will submit:

- A reimbursement request (with their invoice and proof of payment to the training provider)
- A goal attainment report; and
- A trainee roster

Employers can submit for reimbursement during the contract, if that part of the project is completed. Employers must submit all required documents listed above.

### **Definition of Incumbent Worker**

An Incumbent Worker is:

- at least 18 years of age and a paid employee of the applicant business or businesses;
- in a relationship that meets the Fair Labor Standards Act requirements for an employer-employee;
- an employee with an established employment history with the employer for six (6) months or more (\*see exception);
- a citizen of the United States or a non-citizen whose status permits employment in the United States; and
- an employee to be trained who works at a facility located in North Carolina.

\*If training within a cohort, not every employee in the cohort is required to have an established employment history with the employer for six (6) months or more as long as more than 50% of those employees being trained meet the employment history requirement as stated in Training and Employment Guidance Letter (TEGL) 19-16.

### **Definition of an Employer-Employee Relationship**

An Employer-Employee Relationship must exist between the worker and the employer. Workers who are economically dependent on the business of the employer and will receive a W-2 form for tax filing purposes have an employer-employee relationship. Individuals who do not meet the definition of employer-employee relationship

Individuals who do not meet the definition of employer-employee relationship are:

- those who will receive a 1099 form for tax filing purposes; or
- those who are placed through a temporary agency.

### **Employer Eligibility:**

An eligible employer will:

- be current on all tax obligations;
- have an employer-employee relationship with at least 3 employees;
- have been in operation in North Carolina for 12 or more months; and
- be willing and able to meet the program's non-federal share requirements.

IWT is not permitted to be used to provide occupational training for new hires. IWT can be used by employers to either:

- help avert potential layoffs of employees, or
- provide training toward the skills necessary to retain employment, such as increasing the skill levels of employees so they can be promoted within the company and create backfill opportunities for less-skilled employees.

### **Non-Federal Share Requirements**

An employer or group of employers must pay for a portion of the cost of providing the training to the IWs. This portion is defined as the non-federal share. Rules for matching are provided at Uniform Guidance 2 CFR 200.306 and 2 CFR 2900.8, respectively, WIOA Section 134(d)(4)(D), and the U.S. Department of Labor Training Employment Guidance Letter (TEGL) 19-16.

The non-federal share shall be:

- not less than 10% of the cost for employers with not more than 50 employees;
- not less than 25% of the cost for employers with more than 50 employees but not more than 100 employees; and

- not less than 50% of the cost for employers with more than 100 employees. [WIOA Section 134(d)(4)(D)].

The non-federal share may include the amount of wages paid by the employer to a worker while the worker is participating in IWT. The employer may provide the share in cash or in kind, fairly evaluated. Other examples of an employer's non-federal share are training equipment purchases, onsite facility usage, employees' food, travel, or lodging.

#### **How IWT Can Be Used for Apprenticeships:**

The IWT funds can be used to upskill incumbent workers who are already employed and are enrolled in - or are candidates for - Registered Apprenticeship programs. This includes:

- Classroom instruction (Related Technical Instruction, or RTI);
- Customized training tied to progression within the apprenticeship; and
- Skills upgrades needed for new equipment, technology, or processes.

The IWT can help current employees gain the foundational skills they need to enter a Registered Apprenticeship, especially when:

- Workers lack specific competencies for RA entry; or
- Employers are expanding apprenticeship programs internally and need to prepare their workforce.

#### **Reporting Requirements**

Federal requirements mandate that, at a minimum, the following data for each employee in training must be captured. The NCWorks Online system will be used for tracking enrollments of IWT participants.

The information below will be entered in the NCWorks System:

- Complete Name
- Contact Information
- Social Security Number
- NC Driver's License or State ID
- Gender
- Date of Birth
- Citizenship (Right-to-Work Status)
- Selective Service Compliance (male gender)
- Disability Status (if disclosed)
- Ethnicity and Race
- Highest School Grade Completed
- Highest Education Level Completed

In addition, employer related data associated with WBL activities, will also be entered in the Salesforce system for WIOA funded IWT WBL beginning in PY 25.

#### **Reimbursable/Non-Reimbursable Training Costs**

The following is a listing of reimbursable and non-reimbursable training costs:

##### Allowable Training Costs:

1. Training / Course registration
2. Training that results in participants obtaining an industry-recognized certification or credential to include training preparation for certification exams
3. Web-based online training
4. Employee skills assessment that results in primary training funded through the grant
5. Textbooks / manuals used 100% for the training activities

6. Materials and supplies directly related to the funded training
7. Travel for trainers: If the requested training is not available within reasonable proximity to the business. The terms of 'reasonable proximity' should be discussed with the WDB Business Services Representative (BSR) before application submission.
8. Process improvement or quality-related training to support the state's Layoff Aversion

Non-Allowable Training Costs:

1. Employee-related costs such as wages, fringe benefits, etc.
2. Training-related costs incurred prior to the beginning date of the Agreement
3. Training that the business or an entity on the business's behalf already provides to its employees
4. Training that a business is mandated to provide on a regular basis to its employees by federal, state, or local laws
5. Continuing Education Units (CEUs) and other training that is specifically required for an employee or business to maintain licensure, certification, or accreditation
6. Courses that are part of a trainee's pursuit of an educational degree
7. Employment or training in sectarian activities
8. Curriculum design and/or training program development
9. Trainers employed by any business whose employees are being trained to include parent business employees
10. Purchase of employee assessment systems or systems usage licenses (example: site licenses)
11. Business website design and development, website hosting and maintenance, software or hardware upgrades, advice on computer selection for purchase and upgrade
12. Third party compensation or fees not directly related to the provision of the requested training
13. Any costs that would normally be considered allowable, but for which there is no request/cost for training related to the item(s) within the application
14. Capital improvements, purchase of real estate, to include the construction or renovation of facilities or buildings, and capital equipment or other durable (long lasting and/or reusable
15. Business relocation or other similar/related expenses
16. Travel outside of contiguous United States or costs associated with bringing a trainer into the country
17. General office supplies and non-personnel services costs (example: postage and photocopying)
18. Membership fees/dues
19. Food, beverage, entertainment, and/or celebration-related expenses
20. Job/Position profiling
21. Publicity/public relations costs
22. Costs associated with conference