



careers  
businesses  
neighborhoods

# Customized Training Grant

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## Program Guidelines

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## The NYC Department of Small Business Services: Our Mission

The [NYC Department of Small Business Services \(SBS\)](#) helps unlock economic potential and create economic security for all New Yorkers by connecting people to good jobs, creating stronger businesses, and building thriving neighborhoods across the five boroughs.

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### I. The Value of Customized Training

#### What is Customized Training?<sup>1</sup>

The Customized Training program provides federally funded grants<sup>2</sup> to help NYC-based businesses train their employees. This competitive, reimbursable, training grant is available for businesses that are for-profit, operating for at least one year, and able to pay for training upfront.

#### What's in it for you?

Financial support to make training your staff more affordable. The proper training can help boost your bottom line, reduce employee turnover, enhance morale, foster an efficient and productive workforce, and increase your competitiveness in the marketplace.

#### What's in it for us?

As your employees acquire new skills, they become more valuable, leading to higher wages, more sustainable jobs, and careers. Additionally, businesses can increase their profits and revenue, thereby supporting economic growth in New York City.

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### II. Eligibility: Businesses and Employees

#### Businesses must be:

- Located in one of New York City's five boroughs
- For-profit and in operation for at least one year
- Able to pay for training costs upfront
- Able to train at least 5 employees (with no more than 50% as projected new hires<sup>3</sup>)
  - If you have fewer than 5 employees, see section on [applying as a consortium](#)
- Pay employees during training
- Able to provide wage increases for trainees post-training
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<sup>1</sup> 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](#).

<sup>2</sup> The Customized Training Program is funded through the [Workforce Innovation and Opportunity Act](#).

<sup>3</sup> A new hire is defined as a person who has been employed for less than 6 months at the start of the contract. Employees that have worked at a business for 6 months or more, at time of contracting, are referred to as incumbent workers.

**Employees must:**

- Be at least 18 years or older
- Be working in one of New York City's five boroughs
- Meet Federal and State minimum wage standards<sup>4</sup>
- Earn less than a pre-deduction wage of \$98,253/year (\$47.24/hour)\*
- Meet all applicable Federal Selective Service requirements<sup>5</sup>
- Be employed and paid by the business applying with appropriate deductions evidenced and same or similar benefits offered
- Be paid during training

**NOTE:** Business owners are eligible to participate in training if they meet all the requirements outlined under Employee eligibility above.

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### III. Eligibility: Trainings

Customized Training 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

Training can be offered through the following two methods:

**1. Classroom or Online Training (Required)**

Training activities that occur outside of an employee's day-to-day work activities, which can occur on or off-site.

**Example:** Taking a class on project management.

**2. On-the-Job Training (Optional)**

Training activities that occur while an employee is engaged in productive day-to-day work.

**Example:** Shadowing an instructor on a CNC machine.

**NOTE:** Applications are required to include classroom or online training to receive a grant; on-the-job training is optional.

Previous awardees recommend cross-training staff, which can be done via classroom, online and/or on-the-job training, to help reduce the negative impact absences (illness, vacations, personal time off) have on production, lead-times, and day-to-day tasks.

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<sup>4</sup> Minimum Wage Requirements: [Federal](#); [New York State](#)

<sup>5</sup> [Federal Selective Service Registration and Information](#)

## IV. Eligibility: Costs

The following costs are eligible for reimbursement:

- External Instruction:** the cost of an external training provider (tuition, salary, consulting fee)
- Internal Instruction:** wages paid to internal staff providing classroom training to trainees
- On-the-Job Wages:** wages paid to trainees while engaging in On-the-Job training
- External Space:** space that is rented specifically for training
- Books, Materials, Curriculum Development, and Supplies\*:** materials that are specifically related to training and approved by the Customized Training Team

*\* Books, materials, curriculum development, and supplies used for training cannot be used for anything that will produce goods or services for sale or be used during normal business operations.*

**NOTE:** Instruction, Books/Materials/Supplies/Curriculum Development, and External Space are only eligible for **Classroom and Online training**. 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<sup>6</sup>.

### Ineligible Training Costs

The following is a non-exhaustive list of costs that are ineligible for reimbursement:

- Legally mandated training
- Internal instruction wages for owner-led trainings
- Fringe benefits
- Purchasing equipment such as laptops, machines, or software
- Travel, food, or any other hospitality expenses for trainers or trainees
- Training for non-transferable skills such as a new hire orientation
- Training that has started before or after the contract term
- Renovation of facilities
- Uniforms
- Costs related to hiring a temporary worker to perform the duties of an employee being trained
- Alcoholic beverages as part of the materials and supplies cost
- Purchase of tools that will facilitate the tracking of outcomes
- Any items or materials that produce goods or services for sale
- Capital improvements
- Costs incurred prior to the contract start date

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<sup>6</sup> [Uniform Administration Guidance](#)

## V. Applying for a Grant

### Step 1: Pre-Application (Eligibility Checklist)

Interested applicants must first fill out an online [pre-application](#), also known as the eligibility checklist. You need to create an SBS Connect account before you fill it out.

- Once the pre-application is completed and submitted, applicants are notified of their eligibility status within 72 hours.
- If the business is eligible, the Customized Training team will schedule a screening call to discuss the business challenges and training needs.
- If the business is deemed ineligible based on the responses collected in the pre-application, the Customized Training team will reach out to the business for clarification. Businesses are then able to clarify if any responses in the pre-application were answered incorrectly.

**NOTE:** Important dates/deadlines regarding the pre-application and application process can be [found here](#). We also offer a webinar explaining the program in detail.

### Step 2: Application

Once it is determined that an applicant is eligible, the link to the application will be sent. Application must be completed in its entirety.

To complete the application, businesses will need the following information:

▶ **Courses:**

- Titles of the courses
- Training cost for each course
- Length of each course
- Name of training provider that will be teaching each course

▶ **Trainees:**

- Number of trainees
- Assignment of course(s) for each trainee and number of hours attending

**NOTE:** The webinar provides information on how to complete the Customized Training application.

**Training Providers:** Specific training providers **must** be listed on the application for each course.

Applications cannot be accepted with “TBD”, “{business name} staff”, or blank spaces listed as the training provider. Business applicants may use this [Guide](#) to help identify a training provider, but it is not a requirement to use a training provider from this directory.

In order to be considered eligible for a Customized Training grant, the application must be completed by the business. Upon completion of the application:

- The Customized Training team will meet a representative from the business to discuss the application and answer any questions or concerns.
- Upon submission of the application, due diligence will be conducted to ensure that the business is in good financial standing with New York City, state, and federal governments and that it meets business integrity standards.
- Only complete applications will be considered for evaluation and potential funding.

**NOTE:** Only eligible businesses may complete an application.

## Applying as a Consortium

Businesses that do not have 5 employees to train, can partner with a business in their field, a friendly competitor, or a business that wants to provide similar trainings to their staff. Businesses can pick who they wish to partner with and must identify the consortium business within their application.

- One business must be the lead contractor.
- Both businesses should be on the final application.
- Businesses do not have to provide the same trainings to their employees but should have a cohesive application with similar goals.
- SBS will send all reimbursement checks to the lead contractor. The contracted businesses are responsible for splitting the payment. SBS can provide the reimbursement amounts owed to each business but cannot issue split payments.
- Application and reimbursement processes for a consortium are the same as outlined within this document. The business size (for the employer contribution) is determined by the **total** number of employees at **all** businesses within the consortium.

## Step 3: Application Evaluations

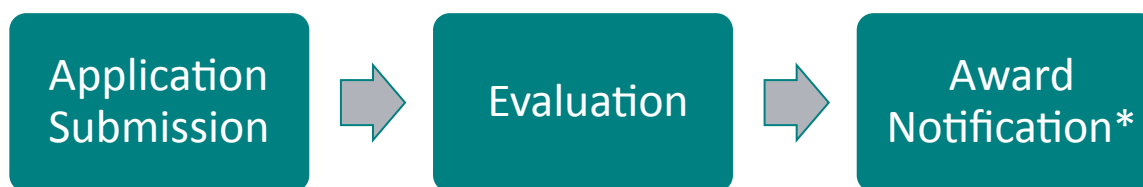
Applications are evaluated based on, but not limited to, the following factors:

- Projected trainee wage increases and retention
- Percentage of low-income trainees
- New or upgraded skills for trainees
- Potential impact on economic activity in NYC
- Business identification of a challenge that can be addressed and solved by training
- Business return on investment
- Need for funding
- Feasibility of program (timeframe, number of courses)
- Capacity for business to manage and oversee the training project
- Budget and cost-benefit of proposal

Upon request, the Chief Executive Officer/Owner of the business and all training provider(s) must be willing to meet with the Customized Training team and provide additional details regarding the training proposed or experience administering similar training. Training providers may be required to provide references or other appropriate documentation as evidence of qualifications.

## Step 4: Award Notification

All applicants who have submitted a complete application and passed the internal evaluation will move forward for consideration of a Customized Training grant.



**\*Grant Notification:** Award notification dates are listed on our website. Grants greater than \$250K may take longer to approve.

**Common reasons for rejection include:**

- Incomplete application
- Application does not meet eligibility requirements
- Clear outcomes are not indicated and/or connected to training
- Wage increases are either too little or unrealistic
- Project scope is not timely or feasible
- Costs for training is unreasonable for the number of trainees and/or trainings

Businesses that are not approved for a Customized Training grant are able to discuss their application and reasons for denial with the Customized Training team. Businesses that are denied can reapply with a new and updated application two more times within the calendar year.

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## VI. Calculating the Grant

Customized Training grants are comprised of two parts:

### Part One: Reimbursement of Eligible Training Costs

- ▶ [Eligible training costs](#) are reimbursed over four quarters throughout the one-year contract.
- ▶ Businesses contribute a portion of this amount (determined by the size of the business and type of training):
  - Classroom and Online Training
    - Small Business (100 or less employees) = 40% contribution, 60% reimbursement
    - Large Business (101+ employees) = 50% contribution, 50% reimbursement
  - On-The-Job Training = 50% contribution, 50% reimbursement
- ▶ SBS withholds 20% of each reimbursement for final outcomes (see [outcomes section](#)).

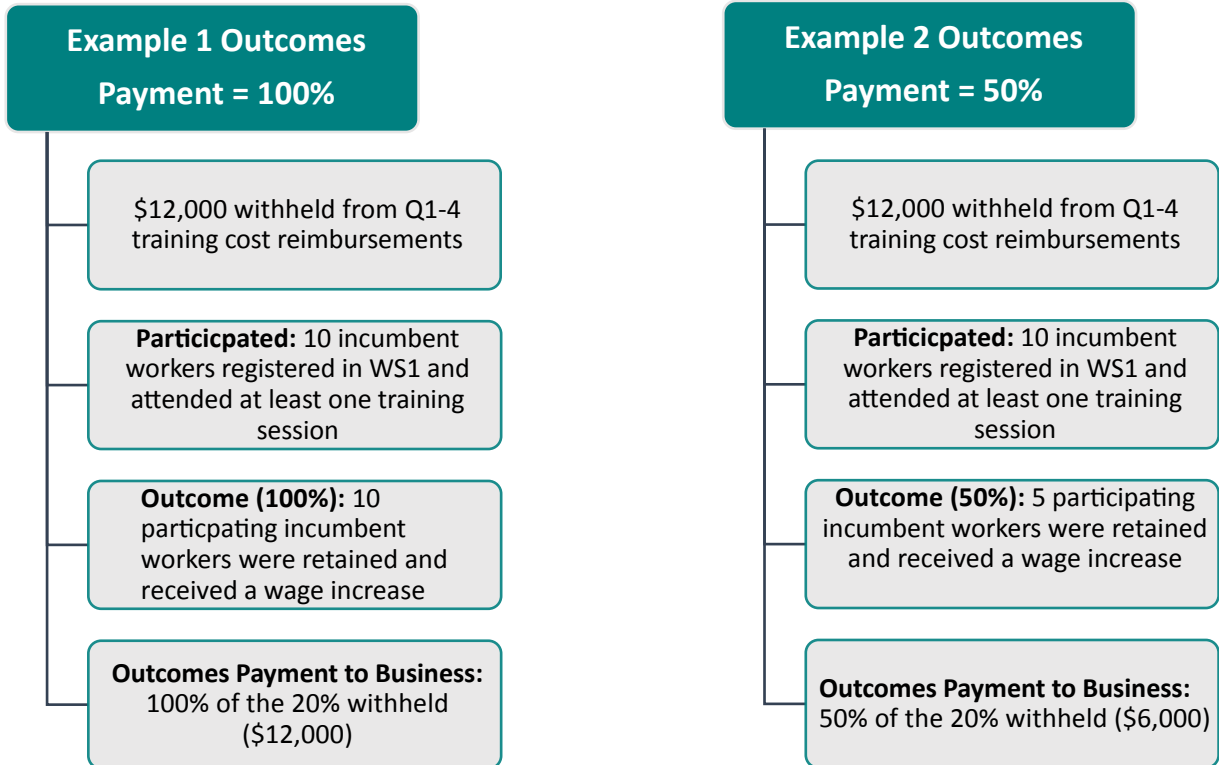
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<sup>7</sup> According to the federal law that funds the City's Customized Training program [Workforce Innovation and Opportunity Act](#) Section 134 (d)(4)(D)(iii)], a graduated scale employer match is permitted for incumbent worker training. SBS reserves the right to adjust the employer match in accordance with these terms. The federal law [[Code of Regulations, Section § 200.306 \(b\)](#)] states that "for all Federal awards, any shared costs or matching funds and all contributions, including cash and third party in-kind contributions, must be accepted as part of the non-Federal entity's cost sharing or matching." The matching funds must be exclusively used for this grant and not be funded by other grants.

## Part Two: 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).

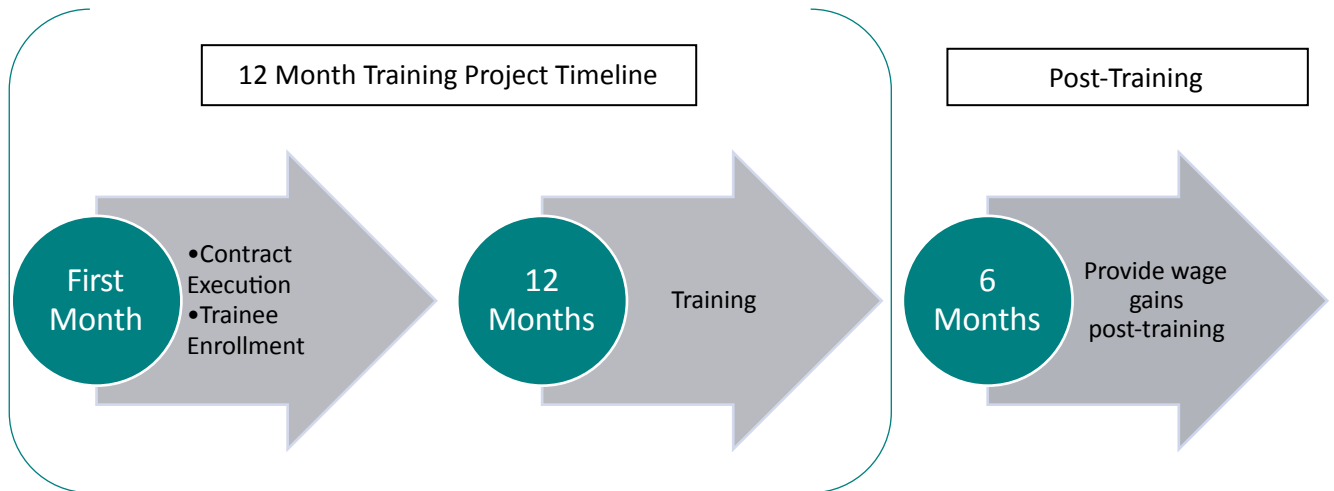
**Outcomes Payment:** SBS withholds 20% of each quarterly reimbursement and releases a prorated payment based on the actual number of **incumbent workers**<sup>8</sup> who received wage increases as compared to the actual number of incumbent workers registered in WS1 and participated in at least one training session. While this payment is only applicable to incumbent workers, it is strongly encouraged that eligible new hires also receive wage increases.



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<sup>8</sup> Employees that have worked at a business for six (6) months or longer, at time of contracting, are referred to as incumbent workers.

## VII. Project Timeline for Awarded Businesses



### Program Manager

Each business that is awarded a Customized Training grant will be assigned a program manager at SBS. This program manager will be the primary contact for support throughout the duration of the grant.

The program manager will work side-by-side with the business to:

- Review the scope and budget of the project
- Execute a final contract
- Conduct site visits
- Monitor training progress
- Review and process reimbursements
- Evaluate final outcomes after training is completed

### Kick-off Meeting

A kick-off meeting will be scheduled within the first few weeks of award notification for businesses to meet the Customized Training team, discuss how we will work together over the duration of the project, answer questions, and review the required documentation for:

- Contracting
  - Trainee Worksource1 registration
  - Quarterly reimbursements
  - Closing out a project
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## VIII. Contracting

Awarded businesses must sign and execute a contract with the WDC to receive funding. The program manager must collect the following items from the business before a contract is executed:

1. Commercial General Liability Insurance
2. Worker's Compensation, Disability Benefits and Employer's Liability Insurance

Prior to first reimbursement, the program manager must collect the following items from the business:

1. Online trainee registration confirmation numbers from the [Workforce1 system](#).
2. Once trainees have registered into Workforce1 system, program manager will review whether trainees meet selective service requirements. Trainees that do not meet selective service requirements will be removed from the program.
3. Copies of date of birth verification for trainees (federal or state issued ID, work permit, etc.) All IDs must be valid and can be uploaded in Workforce1 system.
4. Pre-training payroll for all trainees dated 1-2 weeks prior to the contract start date.
5. ACH form.
6. W9.

**NOTE:** If awarded businesses are unable to provide the above documents, register trainees, execute a contract, and launch training within three months of the award date, they risk withdrawal of their grant. Businesses will only be reimbursed for expenses incurred within the contracted period.

### Training Plan Modification

Awarded businesses have up to six months after the contract start date to propose any modifications to the original Customized Training grant.

Modifications to the project scope must be approved by the Customized Training team. SBS reserves the right to approve or deny these requests based on review of modified application materials submitted by the business.

### Contract Extension

Based on available funding, awarded businesses can extend their contracts by up to 3-months through a contract amendment; these requests must be made in writing to the Customized Training team. A justification must be made by the business that outlines, in detail, the need for an extension. If a contract extension is approved, the business' close-out date remains the same; no additional time is added to submit the close-out documentation.

### Trainee Turnover

A business has up to six months to add and/or replace trainees on the training roster if an employee drops out of the training program or leaves the company.

## Project Monitoring and Reimbursements

**Site Visits:** Program managers will conduct at least one site visit during the contract term to evaluate training.

**Interviews:** Program managers may conduct interviews on training progress by phone, email or in person at any time.

**Reimbursement Documentation:** Documentation that demonstrates approved training-related expenses must be submitted by the awarded business on a quarterly basis; due dates will be provided to each awarded business in the kick-off meeting. Reminders of these dates will be sent out during the lifecycle of the project. Failure to submit documentation by the provided deadlines may result in delay or denial of payment.

**Businesses must provide all supporting documentation:**

Types of Costs	Supporting Documentation Required for Reimbursement
<b>External Instruction</b>	<ol style="list-style-type: none"> <li>1. Invoice from training provider detailing training</li> <li>2. Cancelled checks (front and back) or bank/credit card* statements</li> <li>3. Copies of sign-in sheets</li> </ol>
<b>Online Instruction</b>	<ol style="list-style-type: none"> <li>1. Invoice from training provider detailing training</li> <li>2. Cancelled checks (front and back) or bank/credit* statements</li> <li>3. Certificate of Completion and attestation**</li> </ol>
<b>Internal Instruction</b>	<ol style="list-style-type: none"> <li>1. Payroll for each instructor</li> <li>2. Copies of sign-in sheets</li> </ol>
<b>Books, Materials, Curriculum Development, and Supplies</b>	<ol style="list-style-type: none"> <li>1. Receipts or invoices</li> <li>2. Cancelled checks (front and back) or Bank/credit card* statements</li> </ol>
<b>External Training Space</b>	<ol style="list-style-type: none"> <li>1. Receipts or invoices</li> <li>2. Cancelled checks (front and back) or Bank/credit card* statements</li> </ol>
<b>On-The-Job-Training</b>	<ol style="list-style-type: none"> <li>1. Payroll for each trainee</li> <li>2. Copies of sign-in sheets</li> </ol>
<b>Confirmation of Hourly Rate</b>	<ol style="list-style-type: none"> <li>1. Pre-training payroll*** for each trainee dated 1-2 weeks prior to contract start date</li> <li>2. Post-training payroll*** for each trainee dated up to six months after last day of contract term</li> </ol>

\*If a credit card statement is provided as proof of payment, then a payment towards the credit card equal to or more than the charge must be reflected on the statement.

\*\*Attestation template will be provided to businesses.

\*\*\*The payroll submitted must be the same period for all trainees.

**NOTES:** For audit purposes, every awarded business must keep sign-in sheets, for each instance of training, for at least six years. All sign-in sheets are subject to review to determine eligible expenses.

All documentation can be scanned and emailed directly to the program manager.

SBS reserves the right to request payroll at any point during the contract term, either during or after the contract is over, to ensure employees are being paid during training.

**Reimbursement Payments:**

Only training costs with all completed supporting documentation will be reimbursed. SBS reimburses up to 60% of training cost for classroom and online training, and 50% for on-the-job training. SBS will withhold 20% each quarterly reimbursement.

**Award Amount Example:**

Jane Doe’s Flowers Inc has 50 employees and was awarded a Customized Training Grant to train 40 employees.

<b>Total Classroom/Online Training Costs</b>	<b>\$60,000</b>
SBS Contribution (60%)	\$36,000
<b>Total On-The-Job Training (OJT) Costs</b>	<b>\$40,000</b>
SBS Contribution (50%)	\$20,000
<b>Maximum Award Amount</b>	<b>\$56,000</b>
Quarterly Reimbursement	\$44,800
Closeout	\$11,200

**Quarterly Reimbursement Payment Examples:**

	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Total</b>
<b>Training Costs</b>	\$20,000 (OJT)	\$30,000 (\$20k - OJT, \$10K – Classroom)	\$15,000 (Classroom)	\$35,000 (Online)	\$100,000
SBS Contribution	\$10,000	\$16,000	\$9,000	\$21,000	\$56,000
20% Withheld*	\$2,000	\$3,200	\$1,800	\$4,200	\$11,200
<b>Reimbursement Payment</b>	<b>\$8,000</b>	<b>\$12,800</b>	<b>\$7,200</b>	<b>\$16,800</b>	<b>\$44,800</b>

\*Outcome: SBS withholds 20% of each quarterly reimbursement to determine if all participating incumbent workers received wage increases as projected on the application. If incumbent trainees receive wage gains, SBS will pay the outcome withheld as part of the closeout payment.

**Closeout Payment:**

Once training is completed, businesses have up to 6 months to submit post-training payroll to demonstrate wage increases.

**Closeout Payment Example:**

Based on Jane Doe’s Flowers Inc examples above, \$11,200 is the maximum closeout amount.

## IX. Re-Applying

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 increases 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.

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## X. Contact the Customized Training Team

Customized Team can be reached [here](#) for questions and via e-mail at [customizedtraining@sbs.nyc.gov](mailto:customizedtraining@sbs.nyc.gov).