

# DWD's Employer Training Grant (ETG) Manual

## Rationale, Authority, and Program Guidelines

**Next Level Jobs** is part of Gov. Holcomb's Next Level Indiana agenda. The initiative focuses on high-priority sectors and high-demand jobs. Two million Hoosiers need additional training to compete in the future workforce, and there will be millions of job openings due to retirements and the creation of new jobs in the next decade. Next Level Jobs will help meet that challenge.

Indiana Code 22-4.1-26(1-7) establishes the Employer Training reimbursement Grant Program (ETG) to provide grants to reimburse training costs to employers for newly trained employees. This reimbursement is to support ongoing training development, and future training delivery, for Hoosier businesses. It is not intended to be an ongoing reimbursement, but rather to provide initial funds for businesses and to encourage sustainable training opportunities.

Local workforce development boards receive Employer Training reimbursement Grant dollars from the Indiana Department of Workforce Development (DWD). Eligible employers then receive funds from local workforce development boards (also referred to within this manual as local WDBs or local areas) using the processes outlined in this manual. Local areas may utilize up to 10% of the funding allocation for program implementation and administration expenses, which must be supported with appropriate record keeping and documentation.

Eligible employees must be hired, trained, and retained for at least six (6) months from the start of training by the employer.<sup>1</sup> If an employee completes the training but leaves before the end of the six-month retention period, on good terms, to accept employment elsewhere, the retention requirement may be waived.

Training must be in one (1) of the following sectors:

- Advanced Manufacturing
- Health & Life Sciences
- IT & Business Services
- Building & Construction
- Agriculture
- Transportation & Logistics

Eligible training must be job skills training tied to an in-demand occupation found on <https://www.in.gov/dwd/business-services/etg/> and excludes human resource orientations or undefined job shadowing.

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<sup>1</sup> The retention requirement does not apply to high school students enrolled in work-based learning (WBL) programs aligned with ETG-eligible sectors, per IC 22-4.1-26-5.5.

## Program Overview and Requirements

Employers may qualify for reimbursement of up to \$5,000 per employee trained and retained for six months from the start of training up to \$50,000 per employer. The reimbursement amount is based upon the actual cost of training and the type of training provided. Employers can be reimbursed:

- Up to \$5,000 per employee for training resulting in a post-secondary credential or nationally recognized industry credential.
- Up to \$3,000 per employee for specialty company training.
- Up to \$1,000 per high school student enrolled in a work-based learning program.

Employer Training reimbursement Grants must cover occupational skills training and must be at least 40 hours in length. Employers can use training providers on DWD's eligible training provider list (ETPL), third-party providers, or in-house trainers, but the training must result in a certificate or be a Specialized Company Training. All communications are documented in the DWD Client Relationship Manager (CRM) database.

### Employer Requirements

Employers shall meet the following requirements to be eligible for training reimbursement:

- Submit online interest form<sup>2</sup> via the DWD website and satisfy eligibility requirements:
  - Must have a current account for State Unemployment Tax Act (SUTA) in Indiana
    - If an account is found and UI taxes are owed, the employer must pay before moving forward.
  - Must be registered with the Indiana Secretary of State
    - If an employer is not in the SOS database or listed as "Foreign Nonprofit", then they are not ETG eligible.
  - Must have physical location in Indiana other than a Commercial Mail Receiving Agency, (CMRA).
    - If there is no physical address, then the employer is not ETG eligible.
- Develop and submit eligible training plan including but not limited to the following:
  - State Earn and Learn (SEAL) programs that are certified by Indiana's Office of Work-based Learning and Apprenticeship
  - USDOL Registered Apprenticeship with current, approved standards
  - Work-based learning programs offered to high school students
  - Specialized company training
- Provide detailed job description and salary range for the position targeted for training
- Upon training plan approval, sign and return the formal grant agreement obligating reimbursement funding
- Provide training that shall:

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<sup>2</sup> Link to instructions, resources, and the notification of interest form, <https://www.in.gov/dwd/business-services/etg>.

- Be in one or more of the required industries
- Be occupational skills training that ties to an in-demand occupation (onboarding training and informal job shadowing does not qualify)
- Be at least 40 hours in length (minimum) resulting in a certificate or credential upon completion
- Provide new employees (individuals participating in training within 60 days or less of hire) a minimum wage of \$17 per hour upon hire.
  - The \$17.00 per hour requirement does not apply to high school students in work-based learning. These employees could be paid at minimum wage as defined by Indiana code.
- Provide current employees (individuals who participate in training 61+ days after hire) a minimum 3% wage increase upon training completion
- Provide the needed information to develop and sign a Training Agreement. See Attachment A for an example of the CRM-generated agreement.
- Maintain and submit the following documentation for all trainees:
  - A copy of the training curriculum that supports the 40-hour training requirement
  - Payroll records that verify the starting wage/wage gain and retention requirements
  - Documentation of training completion
  - A copy of the certification or documentation for “Specialized Company Training”
- Provide training that begins no later than three (3) months of agreement start date, the total duration of agreements are nine (9) months, unless exception granted by local area
- Retain trainees for six (6) months from the beginning of training. If an employee completes the training but leaves on good terms before the end of the six-month retention period to accept employment elsewhere, the retention requirement may be waived.
- Participate in spot reviews by DWD and/or the local area if/when requested. Spot reviews may be in-person, hybrid, or virtual. These reviews may include a review of performance and an opportunity for training or technical assistance to resolve questions or to address concerns.
- Assist local areas and/or DWD with the distribution of trainee surveys
- Submit invoice electronically no later than fourteen (14) days after the training agreement end date
- Invoices must contain the following information for each trainee:
  - Employee Name SSN (last four)
  - Employee DOB
  - Employee Occupation
  - Name of Training Provided
  - Employee Hire Date
  - Training Period Begin Date
  - Wage Pre/Post Training
  - Six Months Retention Date

- Employee Training Cost

## Reimbursement Selection Process and Grant Management

Local areas determine whether employers qualify for reimbursement and meet the requirements. While DWD staff will be involved in providing oversight and monitoring of the ETG program, local areas are responsible for management and implementation of the ETG program, including effective internal control procedures and local review/monitoring of grant activities.

### Local Area Selection Responsibilities

After the local area has reviewed the employer's interest form, the employer is then contacted to confirm and/or submit their training plan, job description, and salary range of the position targeted for training. Once the local area has received all required documents, submissions are evaluated for eligibility and processed in the CRM by both the local areas and the employer accordingly. DWD may be called upon should there be questions of eligibility or if employers or local areas need assistance with CRM processing. ETG is not an entitlement program and serves local areas in cultivating a skilled workforce based on the vision of workforce development in their community. All applicable documentation shall be present in the CRM prior to moving forward with any agreement and shall be present at the time of invoice submittal.

Local areas determine and verify the eligibility of employers who submit an interest form for the ETG funds and a training plan. This includes ensuring that the employer meets all the requirements included in the "Employer Requirements" section of this manual. The process for doing so includes but is not limited to the following steps:

- Using the IN Secretary of State website to ensure that the employer is listed as a "Business Entity"
  - Businesses not found or listed as "Foreign Nonprofit" are not ETG eligible.
- Working with DWD to cross check the employer's SUTA number.
  - If there is no SUTA number, then the employer is not ETG eligible.
- Reviewing the address of the employer via web search to ensure the business has a physical location in Indiana other than a Commercial Mail Receiving Agency, (CMRA)
  - If there is no physical address, then the employer is not ETG eligible.
- Reviewing the digital footprint of each business, which is the information about a particular business that exists on the internet because of their online activity

Local areas must also verify the training plans submitted by employers. ETG training is employer driven, and training content on the Eligible Training Provider List (ETPL), Registered Apprenticeship, and State Earn and Learn (SEAL) is pre-approved. If the employer plans to provide "Specialized Company Training," the content will be evaluated by the local area and compared to other, similar industry training, and the ETPL. If local areas have content questions, DWD can support and help inform a local area in their justification for approval. The local area must document all information in CRM record before moving forward.

Once training plans are determined eligible for funding, the local area team utilizes the following criteria to determine which requests are funded:

- NLJ funding must be available

- Interested employers' training plan(s) are approved in accordance with their WDB's local plan
- Proposed training will be completed within the grant timeframe (see Attachment A)

If the training plan is approved for funding, the employer is notified by the local area via the employer training agreement document. Once the agreement is reviewed, signed, and returned by the employer, the local area must upload the form in the CRM to complete the funding obligation. If the plan is not funded, the local area must notify the employer and advise them on changes for resubmittal for when funding is available.

### Local Area Grant Management Responsibilities

Local areas are also responsible for the following grant management tasks:

- Having a strategy in place for timely (generally considered nine months for this program) expenditure of funds.
- Developing and implementing local policy and procedures to ensure collection and maintenance of required documentation, including sufficient supporting documentation from the employer.
- Using the CRM system for program maintenance and reporting.
  - **Please note that sufficient documentation to validate training costs must be uploaded to the CRM at or before invoice submission.** Compliance with documentation requirements will be part of routine DWD monitoring, which will require thorough analysis of sampled employer CRM Account files. Lack of supporting documentation could result in compliance findings (questioned / potentially disallowed costs) impacting the local area and affected employers.
- Ensuring adequate programmatic oversight and fiscal management, including the review and approval of employer reimbursements.

### DWD Operational Management Responsibilities

DWD will engage in the following operational management activities:

- Maintenance of a CRM System.
- Review documentation, including supporting documentation, maintained in the CRM to ensure all required program documents have been completed, signed, and uploaded.
- Review and final approval of invoices for reimbursement.
- Ongoing monitoring of local areas to ensure compliance with DWD policies.
- Provision of technical support and other guidance as requested by local areas or as determined by DWD.
- Investigation of incidents of negligence and fraud.
- Application of performance accountability measures, including the withdrawal of funds.

### Reimbursement Invoicing

The following steps outline the reimbursement invoicing process.

#### Employers/Local Areas

1. Employers utilize the DWD website to submit the invoice for reimbursement once trainees have reached six (6) months retention from the training start date. **NOTE: invoices must**

**not include trainees that did not complete training as they are not eligible for reimbursement.**

2. The local area is notified of the submission via the CRM Dashboard.
3. The local area will review and approve invoices. Local areas are to reach out to employers to address any identified invoice issues or deficiencies.
4. The local area then submits the invoice to DWD within 14 days.

### **DWD/Local Areas**

5. Once DWD has received the invoice from the local area, DWD will conduct a review of the invoice and CRM documentation prior to approval. If DWD identifies any issues, DWD will reach out to local areas to work through resolution.
6. DWD then submits local area invoices to DWD Grant Accounting for processing and payment.
7. The local area will then process reimbursements directly to participating employers via electronic payment, such as Automated Clearing House (ACH) or other electronic transfer of funds.

## **Outcomes, Monitoring Strategies, and Sanctions**

The local areas and DWD utilize the following strategies to foster continuous improvement and conduct grant oversight.

### **Local Area Accountability Practices**

#### *Performance Expectations*

Local areas are expected to meet the following performance criteria.

- Exhaust funding within the local area<sup>3</sup>
- Ensure grant activities support the WIOA local plan. Activities may include strategies to:
  - Increase the utilization of work-based learning
  - Increase credential attainment
  - Increase the number of new employers engaged
  - Increase utilization of minority-owned, women-owned, and veteran-owned enterprises participating in the program

#### *Monitoring*

Local areas must implement effective internal control procedures and ensure that grant activities are adequately reviewed and monitored for ongoing compliance with grant requirements. Local areas must also ensure participating employers are adhering to training agreement provisions and following all requirements of this manual, other DWD guidance, and Indiana Code.

#### *Trainee Surveying*

Local areas will ask employers to provide a link to an employee training survey to obtain feedback. This strategy is optional for the employer but will be highly encouraged and marketed as a

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<sup>3</sup> If funding is not expended timely, DWD may withdraw funding and reallocate to other local areas where program utilization is higher.

potential talent recruitment tool that will show employer investment and employee job satisfaction. Results are shared with local areas and documented in CRM.

Sample survey questions could include:

- Who is your employer?
- What training did you attend?
- Did you receive a certification?
- Did you receive a pay increase or promotion since your training?
- Would you recommend the training to co-workers?

### *Employer Surveying*

Local areas will utilize a survey tool to obtain feedback from employers. 25% of all active ETG reimbursements are surveyed per grant period. Sample survey questions include:

- ETG Applicant Company Name
- How many new employees did you train?
- How many current employees did you train?
- What was the average hourly increase that current employees received for completion of their training?
- Would you recommend the ETG to other employers?
- Would your company benefit from additional workforce solutions?
- How did ETG support your workforce needs?
  - Kick-started the development of a talent pipeline for our company
  - Fostered the creation of new training initiatives at our company
  - Supported the enhancement and sustainability of already successful training programs at our company
  - Did not support the needs of our company

### *Visits*

Local areas will complete on-site, virtual, or hybrid visits. Visits are conducted by the local area for at least 10% of all active reimbursements per grant period. The topics of discussion should relate to the survey questions as well as local area plan elements. These visits serve as another opportunity to better understand Hoosier businesses.

### *Investigating Invoicing Discrepancies, Negligence, and Potential Fraud*

Local areas shall conduct prompt and thorough investigations of any incidences of invoicing discrepancies and suspected negligence and/or fraud. Local areas are to work directly with the employer to resolve issues. All communications with the employer shall be documented in CRM database.

Local areas shall work collaboratively with DWD on all unresolved issues to determine next steps including the application of sanctions.

Local areas have the right to exclude prospective applicants if they have been found in violation of the Employer Training Agreement or have been reasonably suspected of having engaged in fraudulent invoicing. Prospective applicants may request a review by DWD in these circumstances.

### *Grievance Process*

As mentioned in the Local Area Grant Management Responsibilities section, local areas are responsible for providing a grievance process for any complaints relating to the ETG program. Applicants for or participants in DWD programs have the right to file a grievance under the following circumstances:

- A violation of the implementation of program;
- Discrimination on the basis of race, color, religion, sex (including pregnancy, childbirth, and related medical conditions, sex stereotyping, transgender status, and gender identity), national origin (including limited English proficiency), age, disability, or political affiliation or belief; or
- Fraud, criminal abuse, or other criminal activity.

### *DWD Accountability Practices*

#### *Spot Reviews*

Local areas and participating employers may be subject to spot reviews by DWD staff. Spot reviews may be in-person, hybrid, or virtual. These reviews may include a review of performance and an opportunity for training or technical assistance to resolve questions or to address concerns. Local areas and/or participating employers will furnish any relevant materials or staff needed to accomplish these spot reviews.

#### *Employer On-site Visits*

On-site visits may be conducted on a portion of all active reimbursements for each ETG period by the DWD.

#### *Surveying*

To foster continuous improvement and to assist in grant oversight, DWD may conduct web-based surveys of participating employers and trainees. Participating businesses are expected to assist DWD with distribution of trainee surveys.

#### *UI Wage Record/Grant Invoice Crossmatch*

This process is used to verify employee retention and wage increase requirements.

- Employment Status: 50% of reimbursement invoices are crosschecked per grant period.
- Wage increases: 50% of reimbursement invoices are crosschecked per grant period.

#### *Investigating Invoicing Discrepancies, Negligence, and Potential Fraud*

DWD may conduct internal review/spot checks at any time to investigate invoicing discrepancies and determine whether discrepancies may be due to errors, negligent processes, or suspicion of fraud. DWD will work collaboratively with the local area to resolve issues.

#### *ETG Quality Monitoring*

To ensure that the program remains in compliance with the Statement of Work and NLJ – Employer Training Grant Manual, DWD will be responsible for periodic information reviews regarding the following activities<sup>4</sup>:

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<sup>4</sup> DWD Policy 2022-06 Non-formula Grant Performance Management, as applicable.



- Submittal of the Interest Form
- Final training plan(s) submission
- Agreement / funding obligation
- Invoice submittal
- Post-invoice, DWD will review complete records for no less than 10% of “Active/Invoiced” ETG business accounts in each region

ETG grants are subject to routine (annual, at minimum) program and fiscal monitoring by DWD. Local areas may be subject to accountability measures as outlined in this policy and in DWD Policy 2022-06 Non-formula Grant Performance Management, as applicable.

As part of routine monitoring, DWD may:

- Conduct verification of employee retention and wage increase requirements using UI wage records and grant invoices.
- Review invoicing, expenditures, and financial management processes and procedures to evaluate grant compliance.

### Suspected Negligence, Fraud, and Sanctions

Local areas are responsible for effective management of ETG funding and must establish and maintain adequate internal controls and grant oversight procedures in accordance with the terms and conditions of their grant agreements and this manual.

Local areas must implement sanctions against employers when negligence or fraud has been identified. Local areas may be at risk for questioned, or potentially disallowed, costs for failure to adequately manage and oversee ETG funding.

If discrepancies are determined to be due to error/negligence by the employer, the local area (in collaboration with DWD as applicable) will determine if the following sanctions may be applied, depending on the severity of the issue:

- The employer may be ineligible to access the grant for the next two (2) consecutive grant periods.
- The employer must receive written clearance from the local area, after consultation with DWD, to resume participating in the reimbursement program.
  - If approved to resume participating in the reimbursement program, the employer reimbursement amount will be reduced by the discrepancy amount for their next eligible period.

If fraud, including but not limited to ghost employment<sup>5</sup>, is discovered, the local area must attempt to recoup ETG funds from the employer, and the employer will be barred from future participation in the program. The affected employer may appeal this determination for reconsideration. If the local area is unable to recoup funds from the employer, appropriate action may be initiated against the employer.

### Grant Documents

- [Application Link](#)

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<sup>5</sup> A ghost employee is a person who is on an employer's payroll, but who does not actually work for the company.

- [DWD Monitoring and Compliance Tool](#)
- Employer Training Agreement (Attachment A)

## Attachment A: Employer Training Agreement

**Agreement Number:** 7

**Agreement Effective Dates:** 1/31/2023 - 10/31/2023

This agreement is being issued to the below company, in the listed priority sector, for reimbursement for the amount stated below, for the listed occupational skills training that is tied to the listed occupation:

**1. Company Information:**

Indiana Employer, Inc  
1234 Main Street  
Somewhere, Indiana, 47401

- 2. Priority Sector:** Advanced Manufacturing
- 3. Occupation being trained to:** Machinist
- 4. Name of Occupational Skills Training:** CNC Machining
- 5. Length of Occupational Skills Training:** 6 months
- 6. Name of industry recognized certification tied to training (if applicable):** NIMS 5 Axis Milling Specialist
- 7. Number of employees being trained:** 10
- 8. Approved Training Amount per employee:** \$5,000
- 9. Total Training Amount approved:** \$50,000

I hereby certify that the information above is correct and accurate, to be eligible for reimbursement, these guidelines must be met, agreement duration is 9 months.

One invoice per agreement to be submitted no later than 14 days of agreement end date listed above. Your signature indicates understanding of the guidelines above for this agreement.

\_\_\_\_\_  
Employer Signature

\_\_\_\_\_  
Date