



TRAINING GRANTS & INCENTIVES

A Competitive Resource for Your Company

By Beth Henricks, President, First Advantage Tax Consulting Services

As the global war for talent heats up, companies are looking for ways to attract and retain top-notch talent to increase organizational performance. Attracting key talent from today's shrinking pool means having a competitive edge, such as providing learning and development opportunities that satisfy new and existing employees' demands to keep their skills ahead of the curve in an ever-changing work environment.

Employee training programs not only meet the development needs of your human capital, but also prepare companies for the growing talent management demands placed on your business. Further, aligning your employee training programs with strategic business initiatives can bring new products to market faster, streamline operations and drive revenue.

However, funding training initiatives in a tight economic environment can be a challenge. Tapping into training grants and incentives offered by federal, state and local entities can help you build your talent pool while offsetting program expenses.

FUNDING CATEGORIES

Federal, state and local agencies provide funding to businesses to train new employees and improve the skill set of existing workers. Awards are typically in the form of tax credits that offset liabilities, or grant programs that generally provide cash reimbursements. To receive the full value of the award, companies generally must report training results with the reimbursement based on performance. Funding may be tied to a targeted industry, type of training, job growth or specific skills enhancements.

FUNDING SOURCES

The federal government, through the Department of Labor, provides funds for job placement and training assistance. These programs place an emphasis on public/private partnerships and may incorporate community colleges and other training providers.

More than 40 states and economic development jurisdictions offer training incentives designed to increase the skills of the local workforce, stimulate the regional economy, attract new industries and retain existing businesses. These incentives are normally discretionary programs that are annually allocated from a fixed pool of funds.

The incentive award amounts vary greatly. Some programs used for training assistance help employers by reimbursing up to 100 percent of the wages paid to new and existing workers for up to 26 weeks of training. In addition, some programs also reimburse employers for the trainer's wages, overhead and qualified materials costs.

FUNDING PROCESS

Unfortunately, there's not a one-stop-shop to learn about funding sources. In fact, the qualifications, opportunities, deadlines and reporting requirements vary greatly by the individual awarding entity. Here are a few tips to help start the process:

Understand the opportunities

Start online to get a basic understanding of the opportunities available. The U.S. Department of Labor's Web site, www.dol.gov, gives a good overview of the federal opportunities with links to state-based operations.

State economic development Web sites typically include information about training incentive opportunities. The U.S. Department of Commerce's Web site, www.eda.gov/resources, hosts state links which will give you a general idea of what's available.



Build relationships

If you have locations with large operations, start building relationships with the local economic development group. This foundation may give you insight into training opportunities, the application process and the award compliance process. This relationship can also lead to opportunities to help the group design new training grants and tax credits.

Align incentive opportunity with business strategy

Employee growth, capital improvements, business expansion and new system implementation are ideal triggers to apply for training grants and incentives. These business developments are attractive to awarding entities and may lead to higher value awards.

Get your paperwork ready

Incentive applications can be lengthy. In addition to providing a budget, training plan and curriculum, applications typically require detailed documentation including: wages and benefits for individuals to be trained, training success evaluation criteria, investment costs and overall timeframe.

Don't forget about compliance

Once you received the award, you need to manage compliance. This critical step is often overlooked or under managed. Without it, you may not receive the full value of your award.

GETTING HELP

Grants and incentives can substantially offset training expenses. However, the amount of research and tracking required to find and comply with training grants and incentives can be an overwhelming challenge for resource-strapped human resource departments. This is where outsourcing to a training incentive consultant makes the most sense.

Companies specializing in training grants and incentives can help you quickly and successfully identify, apply for and administer such grants and incentives. They are especially helpful in defining opportunities for organizations with multi-state operations and diverse employee training programs. Some consultants even assist with program compliance so you can realize the full dollar value of the award.

Successful companies realize employee training has many positive results including increased appeal to job candidates, higher employee retention and increased worker performance. Clearly, leveraging training grants and incentives can help you make your training dollars go farther and ultimately build a better financial bottom line for your organization.