



**Commerce Montana Reinvestment Act
Primary Sector Workforce Training Grant Program**

**Application Guidelines
FY 2010**

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Commerce Montana Reinvestment Act Primary Sector Workforce Training Grant Program

Application Guidelines FY 2010

DESCRIPTION OF THE MONTANA REINVESTMENT ACT WORKFORCE TRAINING GRANT PROGRAM

The Montana Reinvestment Act Primary Sector Workforce Training Grant Program provides grant funds to businesses for training of new and existing full-time workers. Full-time means a predominantly year round position requiring an average of 35 hours of work each week. The Program is administered by the Department of Commerce, which is the principal point of contact for a company applying for a grant; however a seven-member Grant Application Review Committee, consisting of both public and private members, makes the actual grant award decisions.

This project is funded by state stimulus funds (“Recovery Funds”), and Grantees must report information as required for themselves and all contractors, subcontractors, and subrecipient entities performing work under this Program.

All Projects funded in whole or in part with Recovery Funds must be identified by temporary and/or permanent signs, designed and ordered by the Department of Commerce and installed at the Project site by the Grantee as directed and approved by the Department.

Business Eligibility

To be potentially eligible for a grant, an applicant shall demonstrate:

- at least 50% of the applicant's sales will be from outside of Montana or that the applicant is a manufacturing company with 50% of its sales from companies that have 50% of their sales outside of Montana, or
- be a business that provides a product or a service that is not available in Montana or the region which results in state residents leaving the state or region to purchase the product or service;

In order for an eligible business to apply for a job training grant the business shall also meet all of the following conditions:

- Pay trainees at least the average wage for the area (state or county -- whichever is lowest). The value of employee benefits can be included in this calculation. **The current county/state average wage is located on the program website and is compiled by the Montana Department of Labor and Industry as the “Montana Average Wage by County – Annual Average – All Industries.”**
<http://recovery.mt.gov/commerce/mrawtg>
- Have a need for education or training for the employees; and
- Demonstrate that the business expansion is financially feasible.

Grant Award Ceiling and Thresholds

The Grant Application Review Committee ultimately determines the size of the grant. The maximum grant award is \$5,000 for each new and retained job. The Committee may, in exceptional circumstances, consider a higher grant ceiling for jobs that will pay significantly higher wages and benefits if the need for higher training costs is documented in the application.

A grant provided under this section must be proportional to the number of jobs provided, the expected average annual wage of all jobs provided, and the underlying economic indicators of the region where the majority of the jobs will be created. Funding ceilings must be determined by the availability of funding, the cost for each job, the quality of the primary sector business proposal, and whether training will be provided in Montana.

Match Requirements

The business is required to provide a match of at least \$1 for every \$3 awarded.

The match:

- (a) must be from new, unexpended funds available at the time of application;
- (b) may include new loans and investments and expenditures for direct project-related costs such as new equipment and buildings. The Committee may consider recent purchases of fixed assets directly related to the proposal on a case-by-case basis. A purchase of fixed assets directly related to the proposed training activities that have been made within 90 days after submission of the application may be considered eligible by the Committee.

Eligible Costs

The grant award may only be used for direct costs associated with education or skills-based training for full-time employees. All necessary and incidental costs of providing workforce training and education directed to the jobs are eligible for a grant. This includes all direct training costs, such as:

- program promotion;
- instructor wages, per diem, and travel;
- curriculum development and training materials;
- lease of training equipment and training space;
- miscellaneous direct training costs (such as employee training-related travel);
- administrative costs;
- assessment and testing;
- in-house or on-the-job training; and
- subcontracted services with eligible training providers.

Eligible costs that are not direct costs attributable to specific employees (such as instructor costs, curriculum development and administrative costs) must be pro-rated and allocated to each eligible employee receiving training for which reimbursement is requested. The pro-rated costs then count towards the maximum \$5,000 training cost per eligible new employee.

The following are not eligible for grant monies:

- the purchases of equipment to be owned or utilized by the training provider; and
- salary or wages paid to employees during training.

Confidentiality Agreements

Once information is submitted to the Department, the information is subject to the public's right to know pursuant to Article II, Section 9 of the Montana Constitution. Written information is subject to the right of citizens to inspect and copy pursuant to § 2-6-102, MCA, unless there is an individual privacy interest that clearly exceeds the merits of public disclosure.

Prior to any potentially confidential information being submitted, the company may enter into a confidentiality agreement with the Department and provide an affidavit so that there is a clear understanding of the rights and obligations of the company relative to protection of sensitive information in Montana. A sample agreement will be provided upon request.

GRANT APPLICATION SUBMITTAL PROCESS

The Business Resources Division in the Montana Department of Commerce is the primary point of contact for initiating a grant application and working through the process leading to a grant award. The application should follow the guideline format and provide responses to the categories of information requested below. The Project Application Form and Sources and Uses Statement must be completed and included with the application.

Please make inquiries and submit applications to:

Montana Reinvestment Act Primary Sector Workforce Training Grant Program
Business Resources Division
Montana Department of Commerce
Post Office Box 200505
301 South Park Avenue – Room 107
Helena, Montana. 59620-0505

Nancy Guccione, Workforce Training Grants Section Manager (406) 841-2744
nguccione@mt.gov

Final Grant award decisions are made by the Committee. The Department of Commerce will work directly with potential applicants in order to determine business eligibility and project feasibility.

The application consists of four sections: business plan, financial statements, projections and hiring and training plan. The Department may request additional information as needed.

1. Business Plan

Each application must include a business plan containing information that is sufficient for the Committee to obtain an adequate understanding of the business to be assisted, including the products or services offered, estimated market potential, management experience of principals, current financial position, and details of the proposed venture. In lieu of a business plan, the committee may consider a complete copy of the current loan application to entities such as the Montana Board of Investments, the federal Business and Industry Guarantee program, or the Small Business Administration.

The financial information submitted must demonstrate that the business to be assisted is or will be an ongoing viable company that can achieve and maintain the amount of employment projected. The Committee reserves the right to request additional information or accept reasonable variations from the

information requirements listed above on a case-by-case basis if necessary to make a funding decision.

2. Financial Statements

For an existing business, provide financial statements for the two most recent years of operation that includes the following:

- o Balance Sheets
- o Profit and Loss Statements
- o Cash Flow Statements

Business start-ups and businesses operating for less than three years must provide all available financial statements.

If the last complete fiscal year of the business ended 90 days or more before the application is submitted, interim financial statements must be submitted in addition to the year-end financial statements.

There should not be gaps between the historical statements and the projected statements. The projections should use the same fiscal year periods as the historical financial statements. Applications that contain appropriate, updated, accurate financial information can be processed much more quickly than incomplete applications that require requests for additional information.

3. Projections

Please provide the following projections for two years:

- o Balance Sheets
- o Profit and Loss Statements
- o Cash Flow Statements

Variations on the projections may be accepted at the discretion of the Department or the Committee on a case-by-case basis.

4. Hiring and Training Plan

The primary goal of this economic development activity is to increase year-round and permanent job opportunities for local residents. In the event of grant award, the applicant's commitment to the Hiring and Training Plans will be binding. The assisted business must show substantial compliance with the hiring and training plan and a "good faith" effort toward the actual accomplishment of the hiring goals set out in the grant agreement before the project can be closed out.

Hiring goals should be reasonable and justified by the financial statements and projections. Claims for the number of jobs to be created should be realistic and supported by the financial projections and business plan. The employees being trained do not have to be on the payroll at the time of application to the Department; but they must be on the payroll prior to and after training.

Before any grant monies are advanced, the company will be required to sign a contract specifying terms of the grant and repayment requirements should the company fail to maintain the jobs, wage levels or training specified in the grant application. The contract will incorporate the application and hiring and training plans by reference, which will be binding. At a minimum, the hiring and training plan submitted in the application must specify:

- Projected increase in number of employees and the company's annual payroll – current and projected – at the site and for any other operations within the State of Montana. Employee information must include projections for:
 - Number of new full time positions – including estimated hours worked per week.
 - Salary or wage per hour for each employee to be trained.
 - Estimate of pre-expansion and post-expansion annual payroll.
 - Timetable for phase-in of new employees if applicable.
- Description and monetary value of employee benefits for each position.
- Schedule for completion of worker training and costs associated with that training.
- Certification that the amount of the grant advanced to date will be reimbursed in the event that the primary sector business ceases operation in the state of Montana within the grant contract period, which may be up to 2 years.
- An assurance that the business will comply with the equal opportunity and nondiscrimination laws.
- Procedures for outreach, recruitment, screening, selection, training and placement of workers, especially local area job applicants.
- A description of the training curriculum and resources.

MANAGEMENT OF FUNDS

The business may receive grant funds periodically over the Contract period after incurring eligible training expenses and the meeting the required wage rate. The business will submit biannual status reports on project performance in the format prescribed by the Department. The business agrees to provide access to all payroll and employment records for in-state operations including authorization to review unemployment insurance and training records.

Request for Funds

Funds may be requested by sending a letter on official letterhead signed by two individuals, one of which must be the contact listed in the Contract or the individual who signed the Contract, with the following information included or attached:

- Names and current positions of employees being trained
- Current salaries, including benefits, of trainees and any changes to salaries through the project
- Summary of the training program and overall goal (certifications, skills, new positions to be filled by trainees, etc.) for each trainee
- Summary of training accomplished for the period in which funds are being requested
- Total cost and breakdown of costs and supporting documentation for each employee for which funds are being requested
- Amounts requested for each trainee and amount remaining of the \$5,000 ceiling after the request
- Amount of matching funds expended to date
- Total amount requested and total remaining under the Contract
- Total payroll and employment for statewide operations, and
- Any other pertinent information related to the grant and progress on the hiring and training plan.

Status Reports

Monthly Reporting

This project is funded by state stimulus funds (“Recovery Funds”), and Grantees must report information as required for themselves and all contractors, subcontractors, and subrecipient entities performing work under this Program. This information must be provided no later than the 10th of each month. The reports must provide, at a minimum, the number of jobs created and the number of jobs training during the reporting period.

Biannual Reporting

Unless otherwise specified by the Department, the business will submit biannual progress reports to the Department until the goals contained in the plan have been achieved, and the business receives project closeout approval from the Department. The information must be provided no later than January 31 and July 31 for each year of the Contract and at closeout of the Contract. The reports must provide, at a minimum, evidence of total payroll and employment for statewide operations, information on training completed during the report period in reference to the training plan as submitted in the application, and future training goals for the next report period.



APPENDIX A

**MONTANA REINVESTMENT ACT
PRIMARY SECTOR WORKFORCE TRAINING GRANT PROGRAM**

PROJECT APPLICATION FORM

APPLICANT INFORMATION

Business Name: _____ Tax ID # _____
Contact Person: _____ Title: _____
Address: _____
City: _____ State: _____ Zip Code: _____
Phone #: _____ Email: _____

PROJECT SUMMARY

Total Amount of Grant Funds Requested: _____
Total Project Cost (must match Sources and Uses Statement): _____
Total Match: _____ Current Employment Level: _____
Total # of WTG eligible jobs to be created or retained: _____

Proposal Summary

Please provide a brief summary of this proposal which describes what WTG funds would be used for: _____

The undersigned authorized representative hereby certifies that the information in this application is correct to the best of his/her knowledge; s/he has received, read, and understood the guidelines for the grant and agrees to comply with all requirements; and s/he has the authority to act on behalf of the company in submitting this application.

Signature

Date

Printed Name and Title

BUSINESS PLAN

Page #: _____

See Application Guidelines: Grant Application Submittal Process, 1. Business Plan, page 6

Attach a current business plan which must contain sufficient information for the Department to obtain an adequate understanding of the business to be assisted, including the products or services offered, estimated market potential, principals' management experience, current financial position and proposed venture details.

FINANCIAL STATEMENTS

Page #: _____

See Application Guidelines: Grant Application Submittal Process, 2. Financial Statements, page 7

Attach the two most recent years of Balance Sheets, Profit and Loss Statements, and Cash Flow Statements

FINANCIAL PROJECTIONS

Page #: _____

See Application Guidelines: Grant Application Submittal Process, 3. Projections, page 7

Attach two years of projections of Balance Sheets, Profit and Loss Statements, and Cash Flow Statements

HIRING AND TRAINING PLAN

Page #: _____

See Application Guidelines: Grant Application Submittal Process, 4. Hiring and Training Plan, page 7

Attach a Hiring and Training Plan which must include the following:

- Annual payroll estimates pre and post-expansion and wages for each employee to be trained Page #: _____
- Description and monetary value of employee benefits for each position to be trained Page #: _____
- Number of new full time positions and timetable for phase-in of new employees, if applicable Page #: _____
- Procedures for outreach, recruitment, screening, selection, training and placement of workers Page #: _____
- Description of the training curriculum and resources and schedule for completion of worker training Page #: _____
- Training budget, including all costs associated with the training plan Page #: _____
- Assurance of equal opportunity and nondiscrimination laws compliance Page #: _____

SOURCES & USES OF FUNDS STATEMENT

Page #: _____

See Application Guidelines, page 13



APPENDIX B

**MONTANA REINVESTMENT ACT
PRIMARY SECTOR WORKFORCE TRAINING GRANT PROGRAM**

SOURCES AND USES OF FUNDS STATEMENT

Please list all sources and uses of funding for the project. Include financing, grants, donations, equity. Indicate in the Commitment Status column whether proposed, requested, or approved. Examples of Uses of Funds are training, building construction, equipment purchases, etc.

Source	Amount	Commitment Status	Use of Funds
1.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			
Total Project Funding	\$		