

Southwest Virginia Higher Education Center
Virginia Rural Information Technology Apprenticeship Grant Program Guidelines

Definitions.

The following words and terms when used in these guidelines shall have the following meanings unless the context clearly indicates otherwise:

"Apprenticeship program" means an 18-month registered apprenticeship program for information technology workers hosted by a small, rural information technology business that combines mentorship and on-the-job training and that is established for the purpose of enhancing the experience and skills of such information technology workers.

"Center" means Southwest Virginia Higher Education Center.

"Grant award" means any funds given to a small, rural information technology business from the Virginia Rural Information Technology Apprenticeship Grant Fund.

"Headquarters" means the place and location serving as the managerial and administrative center of a small business organization.

"Information technology" means communications, telecommunications, automated data processing, applications, databases, data networks, the Internet, management information systems, and related information, equipment, goods, and services.

"Information technology worker" means any employee of a small, rural information technology business who is employed full-time on a salaried or wage basis and whose position is neither temporary nor provisional in nature.

"Certified Mentor" means an information technology worker, employed by the business, who possesses at a minimum, industry recognized information technology certification and/or a college degree in computer science or information technology and three years of relevant information technology experience.

"Mentee" means the information technology employee working under the mentor's supervision to build on-the-job experience.

"Program" means Virginia Rural Information Technology Apprenticeship Grant Program.

"Qualified locality" means the Counties of Alleghany, Bland, Botetourt, Buchanan, Carroll, Craig, Dickenson, Giles, Grayson, Lee, Russell, Scott, Smyth, Tazewell, Washington, Wise, and Wythe and the Cities of Bristol, Danville, Galax, Martinsville, and Norton.

"Small, rural information technology business" or "business" means any corporation, partnership, sole proprietorship, firm, or enterprise that (i) provides information technology services to its clients, (ii) is headquartered and operated in a qualified locality, and (iii) employs fewer than 100 employees.

"Grant Participation Period" – means the period not to exceed five (5) years that a small, rural information technology business can participate in the grant program from the date of their first grant award or until the business exceeds 100 employees.

Use of Funds.

A. The Center shall administer this program through the distributions of grants to businesses that meet the eligibility requirements pursuant to §23.1-3129.1 of the Code of Virginia and the guidelines delineated herein.

B. The Center shall establish and maintain financial records that accurately reflect all program transactions as they occur. The Center shall establish and maintain general ledger control accounts and related subsidiary accounts that identify each program transaction to include the name of the awardee, the amount and dates of award. The accounting for Grant funds shall be separate and apart from all other institutional financial activity.

C. Grant funds shall be paid to businesses who have met the eligibility requirements and adhered to and complied with the Grant application process administered by the Center.

E. Funds also may be used by the Center for the implementation and administration of the program. Funds used by the Center to implement and administer the program shall not exceed in any given fiscal year 5.0% of that year's allocation for the program.

Application Procedures and Selection of Grant Recipients.

To apply for funding under the program, a business must follow the procedures established by the Center. Recipients will be selected by the Center using a process established and made publicly available by the Center.

The grants shall be awarded by the Center on a rolling basis as funds are available.

Eligibility Criteria for a Grant.

In order to qualify for grant funding, a business must:

1. Be a small, rural information technology business headquartered and operating in a qualified locality.

2. Employ a qualified information technology staff that is working in the qualified locality and is currently providing information technology services to either private or public sector clients.
3. Register as an apprenticeship sponsor (state or federal level).
4. Have fewer than 100 employees.
5. Have submitted a grant application to the Center
6. Have not been in the program more than 5 years. The 5-year time period commences upon the business's first grant award.

Grant Conditions.

To receive grant funds, the business must:

1. Submit a completed application to the Center
2. Enter into a contractual agreement with the Center
3. Repay the total amount of funds received, or the appropriate portion thereof, and any accrued interest, if the business fails to honor the requirements of the program. The Center shall put a review process in place for discretionary waiver of any repayment in instances where a business fails to honor the requirements of the program, because (a) a mentee ends employment of their own volition, (b) the business ends employment due to documented breach of the employment contract, or (c) the employment of the mentee is terminated for reasons outside the control of the business.

Grant Amount.

- A. Each individual grant award under this program shall be for the direct costs of the mentee and may not exceed \$60,000 annually in direct compensation for the mentee's salary and benefits and approved program related educational expenses. The grant award will require dollar-for-dollar matching funds. At least 50% of the costs must be provided from non-Virginia Rural Information Technology Apprenticeship Program funds. In no case may a business receive a single grant that exceeds the cost of the salary and benefits and related education expenses of a mentee in an apprenticeship program. However, a business may receive multiple grant awards for multiple mentees.

Noncompliance with Program Agreement.

- A. A business will be considered to be in noncompliance with the program agreement entered into with the Center under the following circumstances:
 - a. The business has failed to provide the mentee with the tasks or duties the Center and the business have stipulated in their performance agreement.
 - b. The mentee is working without the direct supervision of a mentor for a period lasting longer than 10 business days.

- c. The mentor assigned to the mentee does not meet the qualifications specified by these regulations and the performance agreement executed between the Center and the business
 - d. The business fails to notify the Center that a mentee(s) has left the program within the timeframe stipulated in the regulations
 - e. The headquarters of the business ceases to be in a qualified locality
 - f. The business exceeds 100 employees
 - g. The business has been a participant in the Rural Apprenticeship Program for a period exceeding five (5) years.
 - h. The business fails to meet the terms and conditions of its agreement with the Center.
 - i. The business is acquired, and the acquiring entity's headquarters are not located within a qualified locality and/or the total number of employees after the acquisition exceeds 100.
 - j. The business is adjudicated to be insolvent.
- B. In the event that the business is found to be in non-compliance the business will be required to reimburse the Center for funds allocated to the business during the period the Center adjudicates that the business was out of compliance. If this is to occur the business will:
- a. Repay the amount of funds received, prorated according to the fraction of the work obligation not completed, as determined by the Center
 - b. Pay a simple, per annum interest charge of 5.0% on the outstanding principal as determined by the Center; and
 - c. Pay all reasonable collection costs as determined by the Center.
- C. A business required to repay the grant shall enter repayment status on the first day of the first calendar month after the Center has officially determined that the business is no longer in compliance with the program agreement.
- D. Make monthly payments to the Center that cover principal, interest, and any collection costs according to a schedule established by the Center that calls for minimum payments of \$1000 per month and to complete repayment within three (3) years after the business enters repayment status.
- E. The interest charge specified in subdivision Bb of this section accrues from:
- a. The date of the initial grant payment if the Center has determined that the business is no longer in compliance with the program agreement; or
 - b. The day after the last day of the grant period for which the work obligation is required.
- F. The Center shall capitalize any accrued interest at the time it establishes a business' repayment schedule.
- G. The Center may approve less than \$1,000 minimum monthly payments or forgive partial interest charges due to extenuating circumstances to be determined at the sole discretion of the Center.
- H. The Center may approve a reduction in interest charges for businesses making consistent on-time monthly payments that meet or exceed the minimum required amount.

- I. A business is not considered in violation of the repayment schedule established by the Center during the time the worker cannot continue employment on basis of:
 - a. Serving on active duty as a member of the armed services of the United States or serving as a member of VISTA or the Peace Corps for a period not in excess of three years.
 - b. Accompanying a spouse who is serving on active duty as a member of the armed services of the United States or serving as a member of VISTA or the Peace Corps for a period not in excess of three years.
 - c. Experiencing health conditions covered under the Federal Family Medical Leave Act (FMLA) for a period not to exceed three months.
 - d. Leaving employment of their own volition.
 - e. Documented breach of employment contract, which results in termination.
- J. To qualify for any of the exceptions in subsection I of this section, a business must notify the Center of a claim to the exception and provide supporting documentation as required by the Center within 5 business days of the occurrence of any such event. Notification can be made via email or via certified letter to the Center's Executive Director or his or her designee.
- K. During the time a worker qualifies for any of the exceptions specified in subsection G of this section, the business need not make the grant repayments and interest does not accrue.
- L. The Center shall cancel a repayment obligation if it determines that:
 - a. On the basis of a sworn affidavit of a qualified physician, the worker is unable to work on a full-time basis because of an impairment that is expected to continue indefinitely or result in death; or
 - b. On the basis of a death certificate or other evidence conclusive under state law, the mentee has died; or
 - c. On the basis of a waiver application, the business had reached extenuating circumstances that prevent further employment of said mentee through no fault of the business. The Center will adjudicate the business's waiver application and respond back with their determination within 15 business days.

Responsibility of the Center.

The Center shall:

1. Administer the program
2. Establish and publish guidelines and criteria for grant awards
3. Establish guidelines and criteria governing agreements between the Center and grant recipients relating to the employment of information technology workers who participate in the apprenticeship program.
4. Oversee each grant awarded

5. Ensure annual reporting of each such grant
6. Comply with all reporting requirements to include by not limited to the number of Grants awarded, the number of companies and mentees in the program, program completion rate and jobs created.
7. Establish and maintain a records management and retention system for this program.

The Application Process

Businesses meeting the eligibility requirements as defined by the Code of Virginia §23.1-3129.1 may apply for a grant under this program by submitting to the Center a written proposal as outlined herein.

Introduction

The Rural Apprenticeship Program was created with two specific goals. The first is to provide entrepreneurs with financial incentives to establish information technology companies in the designated communities of Southwest Virginia thus fostering economic development in those communities.

Secondly, to afford individuals in the designated communities who possess computer science or other information technology related degrees or information technology skills an ability to live and work in their communities. The objective of the program is for businesses to provide individuals with the on-the-job training and experience required to become productive information technology workers.

Therefore, firms applying for a grant under the Rural Apprenticeship Program must demonstrate not only a clear understanding of the goals and objectives of this program, but must demonstrate that they have the business acumen, managerial skills, administrative support, and resources to be successful.

Proposal Instructions

Firms applying for a Rural Apprenticeship Grant must submit both a technical and cost proposal that clearly demonstrates the firm's ability to meet the goals and objective of the program.

- Technical Proposal – Should not be more than 10 pages in length and comply with the following outline;
 1. Executive Summary- The business must provide a comprehensive overview that demonstrates their understanding of the goals and objectives of the program and why they believe they have the skill and resources to be successful in accomplishing these goals and objective.

The executive summary should not be more than a page and one half in length.

2. Scope of Work –The business must clearly define the specific information technology skills that the mentee will acquire and demonstrate that these are skills not only in demand today but will be relevant in the future.
3. Place of Performance – The proposal must articulate where the mentors and mentees will be working. This includes the following:
 - The exact address of the facility.
 - If telecommuting is an option, include the number of hours the mentee and mentor will be working face-to-face in the physical location of the business each week, not to be less than 16 hours per week.
 - The size of the facility to include a definition of the mentors and mentees workspace, meeting and training rooms etc.
 - The equipment that will be provided to the mentors and mentees
 - Training materials that will be utilized during the mentorship program.
4. Work – The business may optionally submit documentation to show it has sufficient work to justify its participation in this program. This may include the client or clients the mentee will be supporting and an indication that the clients will be utilizing the services of the business in the future. Examples of documentation to support work include, current client contracts, letters of intent, or similar documentation, that demonstrate the business’s ability to provide meaningful work for the mentee during the term of the mentorship.
5. Management and Supervision – The proposal will include an organizational chart the shows clear lines of authority and responsibility.
6. Management Plan – The business will articulate its plans to accomplish the following
 - On-The-Job Training – The process to be utilized to provide the mentee with skills they must acquire
 - Mentee Progression Plan – How the business will provide the mentee with increased responsibilities and determine that these responsibilities are being performed satisfactorily
 - Performance Criteria and Reviews – The evaluation plan that will be utilized to ensure that the mentee is acquiring the defined skills, as well as plan for retraining when necessary and removal when required.
 - The Mentee Progression Plan – The business must clearly articulate the process by which it will follow a mentees progress and transition a mentee who has met all on-the-job training requirements to full time employment status.
 - Individuals are only eligible for one (1) apprenticeship award.
 - Quality Control Program – What systems the business has in place to ensure that the on-the- job training program is meeting expectations

- Staffing Plan to include:
 - How the business will source and attract mentees
 - The business's employee retention programs to include reward and recognitions programs utilized
 - Civic engagements that the business promotes or sponsors that encourage community involvement
 - 7. Key Personnel – The proposal will include a description of the business's owners, senior managers, supervisors and mentors. Included in this description must be education, certification, years of experience and past employment history.
 - Replacement of Key Personnel –the business must articulate a program continuity plan in the event one or more of its mentors leave the program during the approved mentorship period. This plan should be specific and demonstrate that the training of the assigned mentees will not be affected.
 - 8. Administrative Support Systems – The business will describe the systems it has in place to maintain employee and business records and how these systems and records will be safeguarded.
 - 9. Self-Certification – The business's owners will certify that are in compliance with the Code of Virginia §23.1-3129.1 as well as the regulations promulgated by the Center
 - 10. Inspections– The business will acknowledge the right of the Center to conduct on-site inspections of the business's facilities and to review its personnel and payroll records for the purpose of verifying compliance with the terms and conditions of any Agreement under-which grant funds have been disbursed to the business under this program.
- Cost Proposal – The business's cost proposal should clearly show the pay and benefits that mentees will receive while participating in the business's on-the-job training program. It is important that the business clearly state why it believes these wages and benefits are sufficient to attract and retain mentees and what data the business has to substantiate their position.
 - Business Overview– The business must demonstrate in its grant application that it is an established business by providing the following information:
 1. Length of time it has been in business
 2. The number of full-time and part-time employees currently in its employ. 1099 employees can be included
 3. Banking relationships to include lines of credit
 4. The business' outside auditors or accountants
 5. A certification from the owners of the business that the business is not delinquent on its local, state or federal taxes.
 - Invoicing - Grant funds awarded to a business will be used solely for the payment of salaries and benefits and approved program related educational expenses for mentees engaged in an apprenticeship program subject to an approved application. The business should clearly demonstrate the systems and

processes it will utilize to maintain payroll and other financial records, thus submitting timely and accurate invoices to the Center. The business will submit invoices to the Center on a monthly basis. The Center will either accept or reject the submitted invoice within 15 days of receipt by the Center. If the invoice is rejected, the Center will inform the business what information is lacking at which time the business will submit a revised invoice. Approved invoices will be paid by the center no later than 30 days of an approved invoice. The business will utilize the following format for the submission of its invoices to the Center:

1. Name and address of the business
2. Invoice Number
3. Period of Performance
4. Name of the mentees working on this project
5. Hours worked by the mentee

- Reports

1. Within 5 days the business will submit either by email or certified letter the names of any mentor or mentee that has left the program
2. On a quarterly basis the business will submit to the Center the following:
 - List all mentors and mentees currently working on the program
 - List of mentees that have graduated from the program
 - List of mentees that have been converted to full time status
 - List of new mentees added to the program
 - An account of funds received and expended by the business in support of this program for the quarter
3. Annual Reports
 - Business self-evaluation to include
 - The results of the business's mentee progression plan
 - Issues identified and solved
 - Funds received and expended for the previous year
 - Recertification that the business is compliant with the Code of Virginia §23.1-3129.1 as well as the regulations promulgated by the Center

- Award Criteria

1. An Advisory Board – The Center will establish an advisory board that will consist of:
 - The Executive Director of the Center and/or his or her designee
 - Designated Members of the Center's Board of Trustees
 - Information Technology Professionals
 - Legislative Representatives
 - Other Community Leaders from the qualified localities.
 - All Advisory Board members will disclose a possible conflict of interest with any business submitting an application.

2. The Evaluation Panel – The evaluation panel will be established for each round of applications. The Center will establish an evaluation panel that will review all grant applications and will consist of:
 - The Executive Director of the Center and/or his or her designee
 - Three (3) members of the Advisory Board.
3. Evaluation Process – The Evaluation Panel will evaluate submission based on three factors:
 - Understanding of the goals and objectives of the program
 - The demonstrated ability to meet the stated goals and objectives
 - A staffing plan that attracts and retains IT talent in the designated communities.

The Evaluation Panel's assessment of the business's technical capabilities will be based solely on information provided by the business in their submission.

4. Technical Evaluation – The Center will assess the strength of the business's management plan and the likelihood that the business will meet or exceed the goals and objectives of the Rural Apprentice Program.
 5. Cost Evaluation – The Center will evaluate the business's cost proposal in three areas
 - Cost realism – Are salary and benefits sufficient to attract and retain mentors and mentees
 - Internal financial controls – Has the business demonstrated that it has the procedures and processes in place to accurately account for funds allocated by the Center to this program
 - Work – Has the business demonstrated that it has sufficient business and capabilities to utilize the appropriated funds to meet its obligations under this program.
- Submission Date and Time
 1. The Center will announce application acceptance information on its website. Businesses interested in applying for a grant should review the Center's site for approved submission dates. The Center will only accept grant application on dates and times approved and announced by the Center on its website.
 - Award
 1. The Center will notify the business within 30 days of submission if its grant has been approved. If the grant is not approved the business may request a debrief to ascertain areas of weakness in its grant proposal. Debrief will be scheduled by the Center and can be done either in person, through video conferencing or by phone.
 2. The Center will be the sole determiner of grant award
 3. Agreement – When the business's grant application is approved, the Center and the business will enter into a contractual agreement that incorporates all the terms and conditions in the Virginia Rural Information Technology Apprenticeship Grant Program Regulations as well as stipulations made in the business's grant application

4. Availability of Funds – Award of a grant and the resulting agreement between the Center and the business are subject to the availability of funds.
- Grant Application Delivery Instructions
 1. The business will deliver to the Center its application via the identified method determined and published by the Center on its website.
 2. The business may include copies of brochures or other relevant information as an attachment to their grant application
 3. Applications shall be submitted to the Virginia Rural Information Technology Apprenticeship Grant Program Administrator.

Questions concerning the Virginia Rural Information Technology Apprenticeship Grant Program can be directed to links found on the Center's website or to

Virginia Rural Information Technology Apprenticeship Grant Program
Administrator

One Partnership Circle

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