



# POLICIES

<b>Subject:</b>	Custom Fit Training
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## 202.1 Purpose

To implement policies and procedures governing the Custom Fit program administered by the Utah System of Technical Colleges.

## 202.2 Approval

USTC Board of Trustees approval: May 7, 2003. Revised: September 1, 2004; June 15, 2005; June 7, 2006; June 6, 2007. Replaced: June 11, 2008. Revised: January 13, 2010; June 15, 2010; September 30, 2010; April 18, 2012; June 5, 2013; June 8, 2016; September 13, 2017; March 15, 2018.

## 202.3 Definitions

- 3.1 **Custom Fit Funds:** Funds obtained by a regional hosting institution through administration of the Custom Fit program, inclusive of state appropriations and company contributions (202.7.3).
- 3.2 **Custom Fit Training:** Training provided to a local company that is subsidized by Custom Fit funds. Company training that is not subsidized by Custom Fit funds is not considered Custom Fit training, shall not be reported to stakeholders as such, and is not governed by the provisions of USTC Policy 202.
- 3.3 **Flow-through:** The disbursement of Custom Fit funds to a participating company without the active involvement of a Custom Fit administrator to plan the training and select the training providers.
- 3.4 **Internal Training:** The use of a participating company's own employees to provide Custom Fit training.

## 202.4 Custom Fit Mission

The mission of Custom Fit is to support economic and workforce development through training partnerships between Utah companies and the Utah System of Technical Colleges (USTC). Custom Fit provides state-subsidized training for Utah employers that meets their specific educational needs, and is designed to attract new businesses to the state and aid in the retention and expansion of existing companies.

## 202.5 Custom Fit Regional Organization

- 5.1 **Custom Fit Regions:** The state is divided into eleven Custom Fit regions: Bridgerland, Central, Davis, Dixie, Mountainland, Ogden-Weber, Salt Lake, Tooele, Southeast, Southwest, and Uintah Basin.
- 5.2 **Regional Hosting Institutions:** The regional hosting institutions for the ten Custom Fit regions allocated funding by the Utah System of Technical Colleges are as follows: Bridgerland Technical College for the Bridgerland Region, Snow College for the Central



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Region, Davis Technical College for the Davis Region, Dixie Technical College for the Dixie Region, Mountainland Technical College for the Mountainland Region, Ogden-Weber Technical College for the Ogden-Weber Region, Tooele Technical College for the Tooele Region, Utah State University - Eastern for the Southeast Region, Southwest Technical College for the Southwest Region, and Uintah Basin Technical College for the Uintah Basin Region. Salt Lake Community College is the regional hosting institution which serves the Salt Lake region through a legislative appropriation separate from the USTC Custom Fit program and, therefore, is not subject to this policy.

- 5.3 Each regional hosting institution will designate a primary administrator to represent the Custom Fit program and perform the duties established in this document. In addition, all other employees assigned to a Custom Fit program must comply with the provisions of this policy.

### 202.6 Governance and Administration

The USTC Board of Trustees is the governing authority for Custom Fit funds appropriated to the Utah System of Technical Colleges. The USTC Commissioner will administer the Custom Fit program for the ten regions at the state level.

### 202.7 Custom Fit Funds

- 7.1 **Restricted Funds:** Custom Fit appropriated funds are provided by the Legislature and are allocated by the USTC Board of Trustees to each regional hosting institution. Appropriated funds and company contributions (202.7.2) are to be considered restricted funds by the regional hosting institutions, shall be recorded only in restricted Custom Fit account(s), and shall be used only for the Custom Fit program.
- 7.2 **Acceptable Use:** Custom Fit funds may be used for any legal and lawful purpose related to the mission and administration of Custom Fit (202.4), subject to the provisions of this policy. Regional hosting institutions are encouraged to spend as much of their Custom Fit funds as possible on direct training costs in support of the Custom Fit mission. Additionally, regional hosting institutions may use Custom Fit funds to cover the costs of administering the Custom Fit program, including the compensation of the primary Custom Fit administrator (202.5.3) and other staff directly involved in the administration of the program, and other costs directly related to the operation of the program. A regional hosting institution may not charge costs to the Custom Fit program that are not directly related to the administration or mission thereof (e.g., lease expenses, custodial support, electrical/heating costs, etc.)
- 7.3 **Company Contribution:** Companies participating in the Custom Fit program must provide a cash contribution of no less than 50% of the direct training costs. Exceptions may be considered on a case-by-case basis, and must be approved in writing by the president or the president's designee of the regional hosting institution.



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- 7.4 Governing Policies:** Each Custom Fit administrator, for the ten regions allocated funding by USTC, must follow the policies contained in USTC Policy 202 (Custom Fit Training), as well as any applicable policies and procedures of the regional hosting institution. Where procurement policies of the regional hosting institution exempt a Custom Fit program, purchases of goods and services will be made in accordance with state procurement code. In all cases, procurement processes must provide an appropriate level of rigor and competition.
- 7.5 Misuse of Funds:** Misuse of Custom Fit funds or violation of this policy will result in corrective action which may include withholding regional allocations or eliminating regional hosting institutions. This section shall not be interpreted to restrict any legal remedies for misuse of public funds.
- 7.6 Unused/Carryover Funds:** Regional hosting institutions are encouraged to annually utilize all Custom Fit funds through financing direct training costs and other expenses incident to the Custom Fit program (202.7.2). Surplus funds (i.e., fund balance or net assets) may be carried over from one fiscal year to the next, though they remain entirely restricted to the Custom Fit program (202.7.1).
- 7.7 Review of Carried Forward Balances:** Upon the conclusion of each fiscal year, the Commissioner of Technical Education shall review the carried forward balances of each regional hosting institution and the institution's specific plans to utilize the carryover. Upon the conclusion of this review, the Commissioner may recommend that the Board of Trustees modify the new-year allocation of the statewide Custom Fit appropriation to address any circumstances in which a regional hosting institution has an excess of or inadequate plans to utilize funds carried forward.
- 7.8 Audit Control:** The Office of the USTC Commissioner is authorized to conduct regular and/or random audits of each regional hosting institution's Custom Fit program as authorized herein and under USTC Policy 302 (Internal Audit).

## 202.8 Eligible Companies

Custom Fit funds should be used to serve for-profit companies located in Utah. Not-for-profit companies/organizations may be considered on a case-by-case basis, must result in economic and/or workforce development, and must be approved in writing by the president of the regional hosting institution.

### 202.9 Required Documentation

- 9.1 Anticipated Costs:** Prior to providing training to an eligible company, a Custom Fit administrator must fully document the anticipated cost of each proposed training event and the associated company cash contribution.
- 9.2 Retention Schedule:** The regional hosting institution is required to maintain Custom Fit documentation for seven years. This should include source documents for all financial transactions and event details for all training engagements. Training details should include class names and descriptions, instructor names, attendance reports, and



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participant information (first and last name and last four digits of the participant's Social Security Number).

## 202.10 Custom Fit Training Delivery

- 10.1 Subject to Availability:** Custom Fit training is offered subject to the availability of funds. Each region will determine priorities based on regional needs and circumstances.
- 10.1.1 New Companies:** Regional hosting institutions are encouraged to seek new or expanding companies each year to which Custom Fit training may be provided. Though not required, regional hosting institutions may consider ways to direct a larger share of Custom Fit funds to train new or expanding companies rather than repeat customers, the training of which is regular and/or substantially similar to that provided in years past (e.g., increasing the required company match [202.7.3] for companies utilizing Custom Fit training year over year). All actions contemplated should give appropriate consideration to retention of Utah companies, as specified in the Custom Fit mission (202.4).
- 10.1.2 Maximizing Companies Served:** Though not required, regional hosting institutions are encouraged to consider ways to direct Custom Fit funds to train as many different companies as possible (e.g., increasing the required company match [202.7.3] for companies, the training costs of which are substantially larger than those of other companies).
- 10.2 Flow-through and Internal Training Agreements:** Flow-through agreements are not eligible for Custom Fit funding. Internal training agreements may be eligible for Custom Fit funding. However, Custom Fit funds may not be used to supplant or replace existing wages of a company employee who provides training. In these cases, Custom Fit will contract with a company employee to provide training outside the employee's regular work load. Custom Fit funds may not be used to provide operational software or equipment for a participating company.
- 10.3 Training Providers:** The Custom Fit administrator should work closely with participating companies to select training providers that are acceptable to both parties. However, final selection of a provider will be made by the Custom Fit administrator.
- 10.4 Enrollment in Regular Courses/Certificate Programs:** Custom Fit funds are designed to provide training to local employers that meets their specific educational needs. In order to efficiently leverage state-appropriated resources as well as the resources of each regional hosting institution (e.g., equipment, lab space, curricula, etc.), regional hosting institutions may enroll Custom Fit students into regularly offered courses that may or may not be part of an approved certificate program (200.4.1). Nevertheless, should a company desire to utilize Custom Fit funds to finance employee completion of a full certificate program (as opposed to specific portions thereof), the president of the regional hosting institution shall consult with the Commissioner of Technical Education prior to enrollment to explore all options to meet the specific employer's needs, ensuring that



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Custom Fit funds are used appropriately. If completion of a certificate program that is wholly financed by Custom Fit is deemed appropriate, a memorandum attesting thereto and approved by the USTC Commissioner and president of the regional hosting institution shall be maintained with all Custom Fit documentation applicable to the employer request (202.9).

## 202.11 Custom Fit Reports

- 11.1 **Annual Reports:** Each Custom Fit administrator will annually submit a financial report to the Utah System of Technical Colleges (forms provided by USTC Administration) detailing Custom Fit revenues and expenses (with applicable expense categories) and carryover balances from the most recently ended fiscal year by September 1. These reports, in addition to Custom Fit outcomes (e.g., number of companies served, number of training hours provided, etc.), shall be presented to the USTC Board of Trustees in its next regular meeting after regional hosting institutions' reports are received.
- 11.2 **Custom Fit Database:** Each Custom Fit administrator will participate in the statewide Custom Fit database. Custom Fit training data will be tracked and reported through the statewide database. Each Custom Fit region will submit a quarterly upload of company and student data securely to the Office of the USTC Commissioner as specified in the latest approved version of the USTC Data Dictionary.