

Social Enterprise Grants Program Guidelines

The guidelines contain essential information on the purpose of the grant including eligibility, how to apply and your obligations as an applicant. You should read these guidelines before completing an application.

About the program

Social enterprises can be non-profit, for-profit or hybrid businesses that exist to benefit the public and community and are established to address a range of cultural, social and environmental issues. In Queensland, there are 229 social enterprises and 47 ecosystem organisations across 412 site locations¹.

Social enterprises may be 'non-profit', returning all profits to the enterprise itself, or they may be 'for profit', returning profits to their cooperative owners, the community, or someone else. The social goal is paramount for a social enterprise, with profit/non-profit status being a secondary choice.

It is estimated that social enterprises in Queensland support 4000 jobs, with a significant number of social enterprise employees being from disadvantaged backgrounds, and 64 per cent are small businesses².

A key challenge for social enterprises is business sustainability and capacity for innovation, with social enterprises facing unique challenges in starting and growing their business e.g. consistent access to capital; supply chain development and navigation³; increasing competition and retaining a social purpose⁴.

The Queensland Government, through the Department of Employment, Small Business and Training (DESBT) is making grants available specifically to social enterprises to address and overcome these unique challenges, through access to professional advice and support in the critical stages of establishing or expanding their business, and to assist in testing their ideas in the market or using technology to increase their reach and mission.

The overall aim of these grants is to build the capability, capacity and sustainability of social enterprises in Queensland and create jobs for Queenslanders.

How much can you apply for and what can it be used for?

If successful, a **50% funding contribution** (excluding GST) is provided following completion of your project. The applicant needs to meet the eligibility and assessment criteria to be considered and must provide satisfactory evidence of the project's completion to obtain funding. The **minimum grant funding amount is \$5,000** (i.e. project value is at least \$10,000) and the **maximum grant funding amount is \$50,000** (i.e. project value is at least \$100,000).

¹ Queensland Social Enterprise Strategy, 2019, p5.

² *ibid*

³ <https://www.swinburne.edu.au/media/swinburneeduau/research/research-centres/csis/documents/challenges-and-opportunities-for-Australian-social-enterprises-brief.pdf>

⁴ <https://newsandviews.zurich.co.uk/talking-point/7-top-challenges-facing-social-enterprises/>



Projects proposed will see businesses participate in training, engage a consultant, advisor, or business coach **for up to six months** to help establish or grow the business, hone their mission and/or create employment opportunities and pathways.

The training, advice or services must fall under one or more of the following areas:

- mentoring/coaching, professional business advice (i.e. information technology, procurement/supply chain, legal, financial or digital);
- business and strategic planning (i.e. business growth or risk management plans, expanding the reach of their mission, capital raising);
- marketing, branding or digital strategy development, including market research (some content or implementation activities will be considered but no advertising costs); or
- website development or upgrades or technology for e-commerce (selling and receiving payments electronically).

Who can apply?

Social enterprises eligible to apply for this grant are those based in Queensland that meet the following definition:

- led by an economic, social, cultural or environmental mission consistent with a public or community benefit;
- trades to fulfil their mission and derive more than 50 per cent of their income from trade; and
- reinvest the majority of any profit/surplus into the fulfilment of their mission.

To be eligible to apply for this grant, an organisation **must** be incorporated and can be:

- a company limited by guarantee;
- a cooperative;
- an Aboriginal and Torres Strait Islander corporation;
- an incorporated association; or
- a for-profit company.

Who can not apply?

The following organisations are not eligible to apply:

- social enterprises that do not meet the agreed definition for the purposes of this grant;
- government departments or agencies;
- unincorporated organisations;
- individuals; or
- social enterprises not based in Queensland.

What are the eligibility criteria?

To be eligible for this grant, the business must:

- provide evidence (letter by CPA or chartered accountant) that the business does, or intends to, reinvest or give 50% of income generated to fulfil it's mission;
- be a social enterprise based in Queensland;
- have a registered business name;
- have an active Australian Business Number (ABN); and
- not be insolvent or have owners/directors that are an undischarged bankrupt.

Only one application will be accepted from an individual ABN or a financial beneficiary of a social enterprise for consideration under each round.

What won't be funded?

The following will not be funded:

- project proposals delivered over a timeframe longer than six months;
- projects with a total cost less than \$10,000 will not be funded, as the minimum grant funding amount that can be provided is \$5,000;
- travel costs for any party;
- services delivered in-kind (funding will only cover services paid for via a financial transaction);
- fees for services provided by related parties (such as companies with a common shareholding or directorship with the applicant, and employees or immediate family of the applicant);
- direct-selling businesses (where sales of another business' goods or services are made in the customer's home, work or other meeting place through methods such as party plans and network marketing);
- premises rental fees;
- mandatory start-up or licensing costs that are required to start a business;
- salaries;
- general business operating costs (including bookkeeping/accounting and tax returns);
- paid advertising campaigns e.g. Google AdWords, Facebook advertising or similar expenses. The grant can cover the development of a marketing strategy but not the actual advertising cost; or
- retrospective payments for expenses already incurred prior to the grant funding approval date or for work already undertaken.

When must the project be completed?

All projects approved for funding **must be completed within six months of the date of approval**. You must advise DESBT of any variations to the project dates. If these timeframes are not met, the offer of funding may be withdrawn.

When and how can you apply?

Applications open 2 October 2019 and close on 2 December 2019. You can lodge an application online at www.business.qld.gov.au/social-enterprise-grants.

What should you include in your application?

Your application must include:

- a detailed proposal and quote from the consultant or service provider for services delivered in up to six months;
- a clear outline of how the advice or assistance will support development of the business and evidence of your social enterprise status;
- details of how the training, advice or services will build the social enterprises' business skills and abilities;

- potential outcomes for the business; and
- confirmation of your matched financial contribution.

If you will be using a consultant to deliver a service, a project proposal and quote from the consultant must be submitted with your application, and should include:

- the services the consultant will provide, including a breakdown of key activities;
- delivery timeframes – up to six months (proposals over six months will not be funded);
- consultant/service delivery costs;
- the estimated number of consulting hours for each of the key activities; and
- the names of the key people who will undertake the project work.

How will applications be assessed?

In addition to meeting the eligibility criteria, applications will be prioritised on:

- the extent to which the business meets the definition of a social enterprise;
- the extent to which the services will support the establishment and/or growth of the business;
- the extent to which the services will enhance the social enterprises' skills and abilities;
- potential business improvements;
- the potential and likelihood the activity will deliver jobs growth; and
- value for money.

What's the process?

A. Online application

Applicants are required to complete an application form online via the SmartyGrants platform and attach the required documentation (quote/proposal from the supplier and/or service provider).

B. Eligibility check

DESBT reviews all applications against the key eligibility criteria and provides the assessment panel with the applications that meet the key eligibility criteria.

C. Assessment panel

An assessment panel considers all eligible applications and provides recommendations to the delegate for approval. The delegate then considers the applications and recommendations, as well as available funding. DESBT may give consideration to ensuring successful applications are equitably distributed across the state and industry sectors, and to recognised Aboriginal and Torres Strait Islander social enterprises.

D. Applicants notified of outcome

All applicants will receive formal notification of the outcome of their application as soon as possible following appropriate assessment. Successful applicants will receive an approval letter advising the delegate has approved the application. The letter will also reiterate the terms and conditions of funding.

Successful applicants will then have **six months from the date of the approval letter to complete the project**. DESBT may withdraw the offer if the project is not completed within this timeframe.

Applicants must not begin the project or pay for the service/s, in part or full, without confirmation that the project has been approved.

After approval, successful applicants must pay for the approved service/s **in full**.

E. Acquittal

On completion of the project, successful applicants will be reimbursed for 50 per cent of the total project cost, up to the approved grant funding amount. To do this, the applicant must complete and submit an acquittal report through SmartyGrants, issue a valid tax invoice to DESBT and submit copies of supplier invoices and proof of purchase for the total project cost.

The acquittal report is a simple online document providing information on the success and outcomes of the project to date, the activities undertaken and the learnings gained.

Successful applicants will be surveyed six months after the completion of the project.

DESBT will carry out random audits on a sample of applications to ensure information provided is true and correct. Where it is found that false or misleading information has been provided, penalties may apply, including refunding of some or all of the grant funding.

Application timeframes

The tables below summarise the important dates and timeframes in the application process.

Dates	
2 October 2019	Applications open
2 December 2019	Applications close at 5pm

Key timing
Complete application lodged prior to the closing date.
An approval letter will be issued to successful applicants once applications have been assessed and approved.
Project must be completed within six months of approval letter being issued.
Successful applicants must acquit projects within seven months of approval letter being issued.

Funding Payment Timeframes

On completion	A single payment will be made directly to the applicant's business bank account upon acceptance of a final acquittal report and a valid tax invoice to the Department. DESBT processes invoices and acquittal documentation in order of receipt and endeavours to pay grant funding within 20 calendar days of receipt of compliant acquittal documentation.
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NOTE: Successful applicants will be required to provide proof of payment for all products and services purchased as part of this grant.

Frequently asked questions

What do I need to do if I receive a grant?

You must:

- enter into a funding agreement with DESBT;
- purchase the training or service/s as per the funding agreement;
- deliver the project as per the funding agreement;
- complete a final acquittal within one month of the project completion date; and
- complete a follow-up survey six months after the grant is acquitted.

When will funding be available and how will payments be made?

If your application is successful, funding will be provided once you complete the project. The applicant will be reimbursed 50 per cent of the total project cost, up to the approved grant funding amount. To do this, the social enterprise must complete and submit an acquittal report through SmartyGrants, issue a valid tax invoice to DESBT and submit copies of supplier invoice/s and proof of purchase. Funding will be paid directly to the applicant.

Can I alter my application after funding has been allocated?

If you are unable to complete the approved project, wish to change suppliers or modify the approved product or service, you must immediately notify DESBT in writing. Any change to your project will need to be reassessed to ensure funding will still be granted. If you change your project or purchase without approval, DESBT can withdraw the funding.

Do I have to be located in Queensland?

Yes. The business must have a Queensland headquarters. **To demonstrate this, the 'Main Business Location' of the applicant's ABN must be listed as being in Queensland** on the [Australian Business Register](#) (ABR) at the time of application. If the ABR listing for the applying business does not list Queensland as the main business location, you must provide evidence of a Queensland headquarters in writing to grants@desbt.qld.gov.au prior to the grant round closing. Evidence of a Queensland Headquarters includes:

- a copy of the applicant's Australian Securities and Investments Commission Company Statement listing a Queensland address as 'principal place of business'; or
- a letter from the applicant's accountant confirming the business has changed to a Queensland main business location.

Do I need to be registered for GST?

No.

Will I be reimbursed for GST spent?

No. Grants are not subject to GST. Therefore, GST is not payable and grant funding will not compensate for any GST spent by the business. The grant amount is GST exclusive.

What are my tax obligations?

Grants are treated as assessable income for tax purposes, unless exempted by law. DESBT recommends you seek independent professional advice on your tax obligations.

Further information

For more information about the grants or advice on your application, call the Department of Employment, Small Business and Training on 1300 654 687 or email grants@desbt.qld.gov.au.

Complaints about the outcome of an application will be dealt with according to [Department of Employment, Small Business and Training's complaints management policy](#).

My checklist

Applicants are to ensure they have:

- read and understood the guidelines
- read and understood the terms and conditions in the application form
- completed the online application form
- uploaded a proposal and quote/s from the supplier/s
- submitted the application
- received notification of the application outcome before commencing the project

Privacy statement

The Department of Employment, Small Business and Training collects information to assess and coordinate grants.

The Department of Employment, Small Business and Training, its officers, employees, agents and subcontractors may use and disclose any of the information provided within the application to Queensland Government departments or agencies, Queensland Government bodies, non-government organisations and/or the Commonwealth Government or other state or territory governments for any purpose in connection with the administration of the Queensland Social Enterprise Grants Program. Successful applications may also be the subject of media releases and disclosure as otherwise provided in the approval letter, the terms and conditions in the application, and the terms and conditions in these guidelines.

Submitted documents may be subject to disclosure under the Right to Information Act 2009, subject to the exemptions under that Act.

The Department of Employment, Small Business and Training's privacy guide in relation to the treatment of information collected may be viewed at www.qld.gov.au/legal/privacy.

Disclaimer

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