

Social Enterprise Development Grants

Funding Guidelines

Introduction

Skills are a critical focus area of Queensland's Economic Recovery Plan and key investments include an additional \$200 million over four years for the Future Skills Fund.

The Future Skills Fund consists of a suite of initiatives to support the skills and training needs of Queenslanders. It is designed to support economic recovery and structural adjustment in response to COVID-19, focusing on reskilling and training in priority growth areas across the State.

The 2020-21 State Budget committed \$8 million over two years for the Social Enterprise Jobs Fund (SEJF) as part of the Future Skills Fund. The SEJF continues to deliver on the Government's commitment under the Queensland Social Enterprise Strategy (QSES), released in September 2019, to support the growth of a strong sustainable social enterprise sector.

As part of the SEJF, \$3 million is being delivered through development and growth grant programs to build the capability and capacity of the sector.

The Social Enterprise Development Grants program is administered by the Department of Employment, Small Business and Training (DESBT).

The aim of this grant is to fund projects that support newly established or early stage Queensland-based social enterprises to increase their capability, capacity and confidence, and build business resilience and sustainability.

Who Can Apply

Eligible applicants must be one of the following:

1. a newly established or early stage social enterprise which meets the program definition of a social enterprise and has only operated for a period of 18 months or less in Queensland; **or**
2. an experienced organisation (i.e. has operated for a minimum period of three years in Queensland) that directly operates a newly established or early stage social enterprise as defined above. The organisation must operate the social enterprise within its business/organisational structure i.e. under its Australian Business Number (ABN) and not as a separate business entity.

The Social Enterprise Development Grants program applies the following nationally agreed definition of a social enterprise (as per 'Finding Australia's Social Enterprise Sector 2016').

Social enterprises are businesses that are:

- led by an economic, social, cultural or environmental mission consistent with a public or community benefit
- trade commercially to fulfil their mission and derive a substantial portion of their income from trade, and
- reinvest the majority of their profit/surplus in the fulfilment of their mission.

Eligibility Criteria

To be eligible for this grant, the applicant must:

- have a current ABN
- not be insolvent or have owners/directors that are an undischarged bankrupt
- have an operating business address in Queensland and will undertake the project activities in Queensland
- be able to show the social enterprise to be assisted by the grant funding has operated for a period of 18 months or less in Queensland at the time of application
- be able to evidence the social enterprise to be assisted by the grant funding meets the program definition of a genuine social enterprise.
Note: the applicant will be required to provide documented evidence in the form of a letter signed by a member of either CPA Australia, Chartered Accountants Australia & New Zealand, or the Institute of Public Accountants, or an Impact Statement (see Frequently Asked Questions for information to be supplied)
- be able to show the social enterprise to be assisted by the grant funding has a mission aligned to Queensland Government priorities such as supporting jobs, investing in skills,

growing regions, safeguarding health, protecting the environment.

Note: if the applicant ABN is an experienced organisation, in addition to meeting all the above criteria – the organisation must have operated in Queensland for a minimum period of three years at the time of application.

Who Cannot Apply

The following are **not** eligible to apply:

- social enterprises and organisations that do not have an operating business address in Queensland
- social enterprises that have operated for longer than 18 months
- social enterprises and organisations (i.e. ABN) that have previously received grant funding under any of the following recent DESBT social enterprise grant programs: Social Enterprise Growth Grants, or Sector Development Grants (see FAQs for more information)
- organisations operating a social enterprise that have operated for less than three years
- Commonwealth, State and Local Government departments, agencies or public bodies
- industry bodies and associations.

Program Funding

The Social Enterprise Development Grants program will fund activities and/or expenditure integral to achieving the project outcomes, including:

- production equipment (e.g. catering, manufacturing)
- digital equipment and systems (e.g. point of sale, 3D printers)
- consumables, resources or materials (e.g. stock/inventory) specific to a business development opportunity
- training or coaching programs to develop business skills and knowledge (e.g. corporate governance, financial management, social impact measurement, investment readiness)
- business and strategic planning (e.g. legal, accounting or financial advice/planning and industry advisors)
- marketing strategies including branding and market research (content or implementation costs/activities are permitted but not advertising costs)
- website development or upgrades

- prototyping activity (minimum viable product, market testing, pilot).

Funds cannot be used for:

- purchase of significant assets (e.g. buildings or vehicles)
- staff salaries/wages
- overseas and interstate travel
- remuneration of executive officers
- utilities (e.g. gas, water, electricity costs)
- rent and other ongoing business costs
- services delivered in-kind
- retrospective payments for expenses incurred or for work undertaken, prior to funding approval
- any other recurrent costs such as established positions or core business functions within the social enterprise and organisation if applicable
- fees for any activities or equipment provided by related parties (such as companies with common shareholdings or directorship with the applicant, and employees or immediate family of the applicant)
- direct-selling businesses (where the sale of goods or services from another business are made in the customer's home, work or other meeting place through methods such as party plans and network marketing).

Funding must have a direct link to increasing the business viability, resilience and sustainability of the social enterprise.

DESBT will make the final determination regarding what is eligible expenditure, in its sole discretion.

Funding from other sources must also be disclosed to DESBT. To avoid duplication, funding is not available for the same equipment or services being funded through other initiatives or programs.

Any third-party contributions must be specified in the application to enable clear consideration of all funding, resources and in-kind support provided.

Outcomes

Funded applicants will be required to provide a final report detailing the outcomes achieved from the grant funding, including how the business operations of the social enterprise have changed or improved.

Level of funding

In 2022-23, \$600,000 will be made available for the Social Enterprise Development Grants program.

Funding of between \$5,000 and \$25,000 (excluding GST) may be provided for eligible applicants to purchase equipment and resources, or access

business services, to build a solid business foundation for the social enterprise.

Eligible applicants are only able to submit one application per social enterprise operation i.e. only one application will be accepted for consideration from an individual ABN.

Application Process

The Social Enterprise Development Grants program is a limited life program and applications will be considered through one competitive funding round process.

The application, selection process and assessment criteria may be varied or discontinued by DESBT as required at any time and for any reason, in its sole discretion.

Without limitation, DESBT may, in its sole discretion:

- apply such criteria and weightings as DESBT sees fit
- for applications considered ambiguous, erroneous or incomplete, refuse to consider the application or request further information from the applicant, as DESBT sees fit
- not accept any application.

DESBT may also decide to accept, suspend or not proceed with, or conduct itself, all or any part of the project proposals included in an application, and may provide a revised offer based on the assessment.

Applications will only be accepted through the online application form including all supporting documentation. The online application form will be made available on the DESBT website when applications open.

Incomplete applications and applications received after published closing dates will not be eligible for consideration.

Applications will be assessed by a central panel convened by DESBT.

Funding conditions

Successful applicants must enter into a formal Services Agreement with DESBT.

An upfront payment will be made once the Services Agreement has been executed, and no sooner than 30 days prior to the start of the project. Payments are GST inclusive (where applicable).

DESBT may vary the payment schedule based on the individual assessment of the applicant and project.

Projects must be completed within six months from the agreement start date (extended delivery periods beyond six months, but not greater than 12 months, may be considered by DESBT).

Projects must be fully acquitted after completion and any unexpended or surplus funds returned to DESBT.

Appeals

Applicants may request a review of a decision made by DESBT in relation to the provision of funding under the Social Enterprise Development Grants program.

The appeals process has been established to help identify any problems in the application process, ensure these processes continue to improve, and to assist with future applications.

Appeals must be lodged in writing to:

Appeals Officer
Program Design, Investment Division
Department of Employment, Small Business
and Training
PO Box 15483
CITY EAST QLD 4002

DESBT will provide notification in writing of the appeal outcomes within 21 business days from receipt of the appeal.

Assessment

Applications will be assessed against the criteria listed on page four. Applicants should note the list of assessment criteria is not necessarily exhaustive and DESBT may also consider other such criteria as it considers appropriate, in its sole discretion.

DESBT may also prioritise applications for fair distribution across geographic areas (DESBT regions), social enterprise models/types, missions, and business industry areas.

Assessment criteria	How will this be assessed – including but not limited to:
Applicant eligibility	<ul style="list-style-type: none"> • Current ABN • ABN credit check (not insolvent or have owners/directors that are an undischarged bankrupt) • Operating business address in Queensland and will undertake the project activities in Queensland • Social enterprise to be assisted by the grant funding is a newly established or early stage business i.e. only operated in Queensland for a period of 18 months or less • Social enterprise to be assisted by the grant funding meets the following program definition (evidence attached): <ul style="list-style-type: none"> – mission – led by a mission with clear community and public benefit, and aligned with Queensland Government priorities – trades – is or will be engaged in commercial activity that represents more than 50% of total income/revenue – reinvests – minimum of 50% of any profit/surplus is or will be reinvested in the fulfilment of their mission or the business • Note: if the applicant ABN is an experienced organisation, in addition to meeting all of the above criteria – the organisation must have operated in Queensland for a minimum period of three years at the time of application
Community Benefit and Outcomes	<ul style="list-style-type: none"> • Clear description of the project including key activities to be undertaken, deliverables, timelines, and itemised project budget attached (if using a consultant to deliver a service, the application should include a breakdown of the key activities to be undertaken by the consultant) • Identified activities already undertaken to support a viable business model for the social enterprise e.g. business planning, theory of change, market research (competitive analysis, identification of customer base) • Details of how the project will accelerate the establishment of the social enterprise and increase business viability and resilience • Details of how the project will enable the social enterprise to deliver its mission and support increased outcomes for the community • Evidence of applicant connections, networks or relationships within Queensland’s social enterprise sector (e.g. member of QSEC, or local social enterprise or social entrepreneur network) • Testimonials or letters of support from local employers, industry, networks or other stakeholders for the applicant and social enterprise
Cost/Value for Money	<ul style="list-style-type: none"> • Cost effectiveness – cost of project and intended outcomes • Demonstrated capability to deliver the project outcomes within the timeframe applied for (including appropriate experience and qualifications for operating the social enterprise) • Level of complementary funding and assistance accessed from other sources (in-kind or direct contributions)

More information

For more information on the Social Enterprise Development Grants program, please read the Frequently Asked Questions (FAQs) available on the DESBT website.

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Related Documents:	Frequently Asked Questions (FAQs)
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