

Social Enterprise Development Grants

Frequently asked questions

The frequently asked questions (FAQs) contain information regarding the Social Enterprise Development Grants (SEDG) program and should be read in conjunction with the SEDG funding guidelines. This program is administered by the Queensland Department of Employment, Small Business and Training (DESBT).

Why has the Queensland Government launched this program?

The SEDG program is designed to support the development of newly established or early stage social enterprises in Queensland. It is the fourth grant program to be released under the Queensland Government's commitment of \$8 million over two years for the Social Enterprise Jobs Fund.

The program will provide grants of between \$5,000 and \$25,000 (excluding GST) for approved projects to build the skills, capability and capacity of eligible social enterprises and increase business resilience and sustainability.

Am I eligible to apply for a grant?

To be eligible, applicants must demonstrate they meet one of the following two entity types:

1. Applicant (ABN) is a social enterprise:
 - meets the program definition of a social enterprise
 - has an operating business address in Queensland
 - has only operated for 18 months or less in Queensland at the time of application, or
2. Applicant (ABN) is an experienced organisation that directly operates the social enterprise:
 - the organisation has operated for a minimum period of three years in Queensland at the time of application (has an operating business address in Queensland)
 - the social enterprise (operated by the organisation):
 - o meets the program definition of a social enterprise
 - o has only operated for 18 months or less in Queensland at the time of application
 - o is not a separate business entity with its own ABN.

What is a social enterprise?

The SEDG program aims to support genuine social enterprises to build a solid business foundation and increase business resilience and social impact.

Evidence confirming the social enterprise to be assisted by the grant funding meets the following program definition of a legitimate social enterprise business model will be required:

- is led by a clear social, cultural or environmental purpose/mission consistent with a public or community benefit
- majority of income or revenue (more than 50%) is, or will be, earned from selling goods or services to the public, and not from government grants or donations/bequests
- reinvests (or intends to reinvest) the majority of the business profit/surplus into the fulfilment of their mission or the business.

If you require more information on social enterprises, please visit the Queensland Social Enterprise Council (QSEC) website at www.qsec.org.au.



Does the social enterprise have to be in place/operating?

Not necessarily as DESBT may consider applications seeking funding to help develop a product or service.

However, it is important to note that as this grant is a limited life program with a finite budget, DESBT may prioritise applications based on demonstrated business potential including consideration of applicant experience and the extent of work already undertaken to research, plan and prepare a viable social enterprise business model.

All SEDG program evidentiary requirements will still apply and must be addressed in the application.

What evidence will I need to supply to confirm the social enterprise meets the program definition of a social enterprise?

The applicant must supply one of the following:

- If the social enterprise is operating – a letter signed by a member of either CPA Australia, Chartered Accountants Australia & New Zealand, or the Institute of Public Accountants confirming: the primary intent for establishing and operating the social enterprise; the social enterprise is a commercial business that generates the majority of its income/revenue from selling goods or services to the public; and the social enterprise does (or intends to) reinvest a minimum of 50% of any profit/surplus in the fulfilment of their mission or the business
- If the social enterprise is not yet operating – an Impact Statement signed by the applicant which addresses the following questions:
 - what impact are you trying to create?
 - what product or service are you creating to derive income?
 - what percentage of your profit will be going back into the cause or mission?

Does the social enterprise require a certain business structure to be eligible to receive grant funding?

No. This program is seeking to assist genuine social enterprises and is not limited to a specific type of business or legal structure.

Eligible structures may include:

- company limited by guarantee
- cooperative
- Aboriginal and Torres Strait Islander corporation
- incorporated association
- for-profit company
- sole trader.

There is also no required business or legal structure specified for the applicant that is an experienced organisation. Experienced organisations may include social enterprises, not-for-profit organisations and for-profit companies.

Do I have to be located in Queensland?

Yes. The applicant including the social enterprise must have an operating business address in Queensland.

Do I need to be registered for GST?

No. The applicant does not need to be registered for GST to be eligible for funding.

How much funding is available?

Total funding of \$600,000 will be available for grants under the SEDG program. The minimum and maximum grant amounts are \$5,000 and \$25,000 (excluding GST) respectively.

Applications will not be considered if the grant amount sought is below \$5,000. If the grant amount sought is above \$25,000, the application may still be assessed but will be capped at \$25,000.

The application must include an itemised project budget which details how the grant funds will be spent if approved. A budget template for this purpose will be provided on the DESBT website when applications open.

If I am awarded a grant, when will I need to complete the project?

Projects are expected to be completed within a six-month timeframe from receipt of the DESBT approval letter, however longer time periods may be permissible if deemed necessary and will be subject to consideration and approval by DESBT.

What can I spend the grant funds on?

Grants will be provided for activities or expenditure that directly build the skills, capability, and capacity of the social enterprise, including:

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

What can't I use the grant funds for?

Projects will not be considered if funds are requested for the following activities or expenditure but not limited to:

- purchase of significant assets such as building or vehicles
- staff wages including remuneration of executive officers
- overseas or interstate travel
- day to day business operating expenses or ongoing business costs (such as payments for water, gas, electricity, rent, insurance, and loans)
- other recurrent costs such as established positions or core business functions (within the social enterprise and organisation if applicable)
- services delivered in-kind
- general fundraising requests
- retrospective payments for expenses incurred or for work undertaken, prior to funding approval (including projects already commenced or completed at the time of application)
- 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).

Where can I get an application form?

The application form is an online form and will be made available on the DESBT website when the funding round opens. For application opening and closing dates, see the DESBT website at <https://desbt.qld.gov.au/training/future-skills-fund/social-enterprise-grants>.

Applications including all supporting documentation must be submitted using the online application form.

Incomplete applications and applications received after the closing date will not be considered. Note: DESBT may in its sole discretion decide to extend the closing date for applications.

Can I submit more than one application?

Applicants can only submit one application per ABN.

Note: previous DESBT social enterprise grant recipients are not eligible to apply for the SEDG i.e., where the ABN has been awarded funding under the Social Enterprise Growth Grants or the Sector Development Grants.

Applications may be considered from previous recipients of the Community Social Enterprise Development Grants where the applicant organisation can demonstrate their project proposal meets SEDG program objectives and is for a clearly different purpose (developing a new social enterprise and not an existing operation).

How will my application be assessed?

Applications will be assessed against the criteria listed within the SEDG funding guidelines. Applications determined as ineligible in accordance with the criteria will not advance to the assessment stage.

Applicants should note the list of assessment criteria is not necessarily exhaustive and DESBT may also consider other criteria it considers appropriate.

Grants will be awarded on merit to projects that demonstrate the best value for money and potential to deliver benefits and outcomes that address program objectives.

When will I find out if I have been successful?

It is anticipated the assessment and approval process will take up to six weeks. All applicants will be advised of the outcome in writing.

How will grant funding be paid?

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

An upfront payment will be made upon execution of the Services Agreement, but no sooner than 30 days prior to the project commencement date.

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

Any projects not acquitted after completion or funds not used for the purposes of the project may require repayment of the funds to DESBT.

Further information

For more information about the program, please refer to the *Social Enterprise Development Grants Funding Guidelines*.

For further queries, you can email: programdesign@desbt.qld.gov.au.