



Probation Service

Social Enterprise 'Kick Start Seed Fund'

Guidance Information & Application Process

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Section 1: Background.

The Probation Service, in collaboration with the Irish Prison Service, submitted a proposal to access funding through the Dormant Accounts Disbursement Scheme 2017–2019 in order to support the development of social enterprises operating within the criminal justice sector.

The proposal sought the allocation of specific funding in order to operate a Seed Capital Fund to support new or existing social enterprises operating within the criminal justice sector. A total of €300,000 has been approved under the Dormant Accounts Disbursement Scheme. To access the Department of Justice and Equality Social Enterprise Strategy 2017-2019, 'A New Way Forward', click [here](#)

Section 2: What is the purpose of this fund?

This fund is intended to support organisations with a new or existing social enterprise idea which will increase employment opportunities for people with criminal convictions who find it difficult to access the labour market as a result.

It is designed to either explore the feasibility of a social enterprise idea or to develop/expand an existing enterprise. For social enterprises already in operation, this fund is designed to build their capacity to avail of existing funding streams such as the Community Services Programme on offer by the Department of Social Protection.

It is intended that the fund will:

- Support essential start-up activities for social enterprises operating within the criminal justice sector such as undertaking of market research, feasibility studies and/or development of business models,
- Cover costs, including staffing, associated with the development of some or all of the above activities,
- Facilitate the purchase of equipment to support the key activities of the Social Enterprises.

Section 3: What is social enterprise?

For the purposes of this fund, when we refer to social enterprise, we mean any business that aims **to create a social benefit**, where this benefit is not currently provided by for-profits-businesses or state funded services, and which will work towards generating at least **50% of its income** from trade.

A Social Enterprise Strategy was developed by the Department of Justice and Equality and its executive agencies, the Irish Prison Service and the Probation Service and launched in May 2017. The strategy is designed to create a wider employment focused approach by both agencies.

Section 4: What we are providing?

Once-off grants of between €10,000 and €30,000 which are divided into two specific categories:

Category A: Feasibility Studies & Market Research

Grants of up to €10,000 are available to organisations seeking to explore the feasibility of a social enterprise idea or to conduct market research. Match funding is not required under this category.

Category B: Start-Up & Development Costs

Up to €30,000 for start-up and development costs (machinery, contribution towards staffing/salary costs incurred in developing the business, fit-out, renovation, market research, professional costs etc.), with 25% match funding¹ i.e. a total spend of €40,000 if the maximum grant of €30,000 (75%) is awarded. Awards will be given only when the social enterprise idea is considered to be viable, sustainable and provide sufficient social benefit.

Approximately 20% of the fund will be allocated to Category A and 80% to Category B.

- €300,000 is available in this fund to be divided over the next three years²
- Should there be a large number of suitable applicants, the entire fund can be distributed in Year One
- If there are not sufficient applications that meet the above criteria, funding may be kept for subsequent rounds
- Successful awardees may receive less than the requested amount and payment will only be made when proof of expenditure can be provided
- Grants can be paid in a number of increments, if required
- Funding must be spent within 12 months from the drawdown date

Section 5: Who and what is eligible?

Any not-for-profit organisation that is seeking to establish or grow a social enterprise (in line with the definition above), that will:

- Aim to support people with criminal convictions into employment, or
- Aim to provide training or other social supports that will assist people with criminal convictions towards employment, using innovative social enterprise methods
- Operate in the Republic of Ireland

Section 6: Who and what costs are ineligible?

- Sole traders
- Statutory agencies
- Operational costs (overheads such as rent and utility costs)
- Conferences, events and seminars

¹ Match funding is the requirement of an organisation to secure a percentage of the overall funding required for a specific project from other sources.

² The Probation Service reserves the right to retain a degree of flexibility in the administration of this fund and in accordance with Dormant Accounts Fund guidelines.

- Fundraising activities
- Applicants cannot have received funding from another source for the same purpose

Section 7: Application process

- Complete the appropriate Application Form e.g. either Category A or B
- Additional clarifications or questions can be sent to socialenterprise@probation.ie **by 5 p.m. on the 20th July**. Questions and clarifications after this time will not be answered. All applicants who have pre-registered will receive notifications of all questions and all answers provided.
- Email your application form to socialenterprise@probation.ie by **5pm on the 2nd August 2018**. All responses will receive immediate notification of receipt. This receipt is your proof of having completed the form by the appropriate time - late entries will not be accepted.
- Canvassing will automatically disqualify applicants.

Section 8: 5 Step Assessment Process

Step one: Initial screening - All applications will undergo an initial screening process to ensure they meet the eligibility criteria

Step two: Short-listing - Suitable applications will be assessed and short-listed by a panel of experts from the Probation Service, Prison Service, Third sector, business and financial world

Step three: Interview - Short-listed applications will be invited to present their ideas to a panel of experts in order to answer any further clarifying questions

Step four: Due diligence – A final round of due diligence will be conducted on successful applicants to clarify any outstanding queries & to ensure the Social Enterprise has the capacity to use the funds as outlined and within the 12-month timeframe

Step five: Awards Ceremony - Successful applicants from both categories will be announced and required to attend a public awards event

Section 9: Frequently Asked Questions

Can one organisation apply for both categories?

No. This is a small fund and the Probation Service is keen to ensure it is used as effectively as possible to create the greatest social impact. Applicants in a position to apply under both categories should decide which project will bring about the greater good for their organisation and submit an application accordingly.

Can consortia apply for the fund?

Yes, this fund is designed to support innovative projects to create maximum social impact. Applications will be accepted that represent a number of Social Enterprises working in collaboration however, there needs to be one lead agency assigned.

How do applicants find out where they are in the selection process? All applicants will be informed by email by the Probation Service CBO Unit after final decisions have been made.

Section 10: Criteria for assessing applications.

Category A: Feasibility Studies & Market Research

Each application in this category will be assessed on a case-by-case basis and the level of funding will be determined following assessment of:

- (a) the merits of providing financial support to the activity set out in the application
- (b) the need for financial support
- (c) potential for future employment

Category B: Start-Up & Developmental Costs

Each application in this category will be judged out of 1000 marks, marks will be awarded out of the following categories:

- Market potential of idea, products or services and sustainability 500 marks. This draws largely on part one and part four of the form.
- The social benefit 350 marks. This draws on questions in part two of the form.
- Governance and risk management 100 marks. This draws on questions in part three of the form.
- Preparation and research 50 marks. This is an overall mark which is informed by the quality of information across the form.

Section 11: What the panel is looking for in Category B applications?

A high scoring application will achieve the following under each criteria:

The Idea - its viability and sustainability (500 marks)

- Outline a business idea that the panel views as having potential to generate sufficient income
- Clarify the need for the business, i.e. what are you offering to customers that they cannot get elsewhere
- Clarify how the business model will address this need, i.e. how will you deliver the products or services at a price that the customer will consider attractive
- Clarify how, at year 4, the business will attain 50% of its income through trading in the market place
- Outline costs are reasonable and well considered
- Will outline value for money for staff roles. i.e. any professional staff costs are reasonable i.e. are close to average rates within the relevant section of the national pay and benefits survey <http://www.foundation.ie/wp-content/uploads/2015/12/National-Guide-to-Pay-and-Benefits-in-CVCh-Orgs-2015.pdf>

The social benefit (350 marks)

- There is clarity of the outcomes that will be achieved by the social enterprise and how much outcome there will be i.e. it will clarify how many new jobs will be created each year for the target group – people with criminal convictions.
- There is clarity on whether the outcome is preparing people for employment, creating employment, progressing people into employment or a combination of these.
- The methods for achieving these outcomes are convincing, i.e. the application shows that as well as being a viable business the business model is managed in a way that is likely to deliver social outcomes
- The way in which outcomes will be measured is clear, i.e. if the social business aims to increase work readiness, it will be outline what data will be collected to show this change, when it will be collected and by who.

Governance and risk management (100 marks)

- There is an appropriate governance structure
- Risks are considered and mitigation measures are appropriate
- Evidence of relevant compliances (incorporation, charity status, tax clearance, planning and licensing where relevant)

Preparation and research (50 marks)

- It is clear that significant thought and research has gone into the proposal
- Clear thought has gone into calculating the income estimates within the budget

Section 12: Systems & Records

All beneficiaries must ensure that robust internal systems, processes and procedures are in place that can evidence the accuracy and reliability of their monitoring information and financial returns submitted to ***Community Programmes Unit of the Probation Service..***

1. Governance:

All procedures and systems required in managing public funds must be applied, monitored and reviewed by the board of each awardee social enterprise.

2. Internal Financial Procedures:

Each social enterprise receiving funding must have in place an internal financial procedures document specifying the practices, as well as who has responsibility for them. The document should be ratified by the Board of Directors.

3. Financial Information and Accounts:

The beneficiary must maintain proper books of accounts to record the day to day transactions of the organisation. The books and records should record all income received and all payments made; these form the basis of the financial accounts.

Section 13: Monitoring & Reporting Requirements

1. All beneficiaries are required to return to the ***CBO Unit, Probation Service, Haymarket, Smithfield, Dublin 7:***
 - Financial information – 6 monthly using the template worksheets that will be provided
 - Operational information – 6 monthly using the template worksheets that will be provided
 - Audited Financial Statements (where available) or in cases of audit exemption, an Income & Expenditure Account and Statement of Assets and Liabilities.
 - Evidence of relevant compliances (tax clearance cert, planning permission, licences etc.)
2. Desk-based administrative verifications will be carried out on the financial returns and comprise a complete review of the supporting documents (such as invoices, proof of payments, proof of delivery, insurance cover etc.). Each social enterprise will be expected to submit scanned copies of all documentation supporting the audit trail (i.e. invoices, receipts, payslips and details of procurement compliance etc.). This will be administered by the Probation Service CBO Unit.

A minimum of one monitoring visit from the Social Enterprise Project Manager during the 12 months post drawdown to ensure the fund is being spent according to the submitted application and a monitoring report submitted to the Probation Service CBO Unit.