

GUIDELINES

Social Enterprise Support Grants 2022

1. Program Summary

1.1 Background

The Victorian social enterprise sector is recognised as the largest and most dynamic in Australia. There are currently more than 3,500 social enterprises trading across metropolitan and regional Victoria employing an estimated 60,000 people and contributing \$5.2 billion to the Victorian economy each year.

What is a social enterprise?

Social enterprises are businesses that:

- Are led by an economic, social, cultural, or environmental mission consistent with a public or community benefit
- Derive a substantial portion of their income from trade
- Reinvest the majority of their profit/surplus in the fulfilment of their mission

Victorian Social Enterprise Strategy 2021-2025

The [Victorian Social Enterprise Strategy 2021 – 2025](#) (Strategy) aims to grow the social enterprise sector, strengthen its connectivity, and unlock the potential to create more jobs and deliver enhanced economic and social value to the Victorian community.

Social enterprises make a valuable contribution to the economic, environmental and social wellbeing of Victorians, and the Strategy enables enterprises to continue supporting Victorian communities, especially focusing on people facing barriers to inclusion, such as young people, women, Aboriginal Victorians, and people with disabilities.

A range of actions in the Strategy are being delivered across four key thematic areas:

1. Building business skills and capability and capturing impact
2. Enhancing recognition and access to innovative financing to scale impact
3. Fostering a connected and innovative social enterprise ecosystem across Victoria
4. Opening doors for social enterprises across government

Implementing the actions under these themes enhances the capabilities of social enterprises to contribute to a more socially and economically inclusive Victoria.

COVID-19

Social enterprises are significant employers of many disadvantaged cohorts hardest hit by the COVID-19 pandemic. The sector has also been at the forefront of responding to the crisis, delivering health and social care.

COVID-19 has impacted many businesses, especially those within the services industry, and consequent economic shocks have compounded existing challenges for social enterprises, including low cash reserves and difficulties in accessing appropriate finance. Unlike traditional businesses, social enterprises also typically provide wrap-around support for their staff and clients, and therefore bear higher costs.

1.2 What is the Program?

Social Enterprise Support Grants will provide assistance to eligible social enterprise to purchase plant, machinery or equipment of up to \$50,000 (excl. GST) that will enable them to grow, increase capacity, employ additional staff and deliver greater impact.

Successful Projects will demonstrate how the investment will expand business activity and increase impact, including access to the social procurement market place and/or job creation through direct or transitional employment pathways for job seekers facing barriers to economic inclusion.

Who is this grant for?

Eligible Victorian social enterprises. Priority will be given to social enterprises including: Small and medium enterprises (SMEs) with less than 20 employees, enterprises located in regional and rural Victoria, and Work Intergration Social Enterprises (WISEs) demonstrating employment growth.

1.3 Program Objectives

Social Enterprise Support Grants aim to support social enterprises to:

- Grow and increase their business activity
- Deliver greater impact
- Increase employment pathways and opportunities for Victorians facing barriers to economic inclusion
- Access new markets, including through the social procurement marketplace

1.4 Program Outcomes

The intended outcomes of this program include:

- Social enterprises have increased capacity to grow their business
- Social enterprises are able to create more employment pathways and opportunities
- Social enterprises have increased ability to deliver their social mission

2. Available Funding

The Victorian State Government is providing up to \$700,000 in grants to support Social Enterprises. This program offers grants from a minimum amount of \$5,000 (excl. GST) to a maximum amount of up to \$50,000 (excl. GST) to eligible organisations through a competitive assessment process.

2.1 Co-contribution requirements

Applicants are required to make a minimum of 25% financial contribution or source third party funding for the project to meet the Applicant's 25% contribution.

Funding will be available for 75% of the project cost (i.e., \$3 of funding for every \$1 contributed by the Applicant). Example: for a total project cost of \$60,000 (excl. GST), the maximum grant funding available is \$45,000 (excl. GST).

Funds from other Local, State or Commonwealth Government programs cannot form part of the Applicant's co-contribution.

3. Eligibility Criteria

3.1 Eligible Applicants

To be eligible for assistance, applicants must be one of the following entity types:

3.1.1 Businesses must:

- a) Hold a current Social Traders Certification or successful Social Traders verified pre-Certification
- b) Hold an Australian Business Number (ABN) at the date of application
- c) Have an operating business address in Victoria and conduct the proposed activities in Victoria
- d) Be registered for GST at the date of application
- e) Meet any co-contribution requirements with eligible cash expenditure
- f) Demonstrate 12 months operating income from trading activity

3.1.2 Trust Structures

- a) An Incorporated Trustee may apply on behalf of a Trust provided that the Trustee:
 - i) Under the Trust Deed, has the ability to enter into the grant agreement in its capacity as Trustee; and
 - ii) Is entitled to be indemnified out of the Trust funds in connection with performance of the grant agreement.
- b) An Incorporated Trustee must comply with the co-contribution criteria as set out above under 2.1.

3.1.3 Other

- a) Not-for-profits and charitable organisations are eligible to apply, on the condition their social enterprise model has been operating for at least 12 months.

3.1.4 All applicants are required to demonstrate that they:

- Are a social enterprise as defined by a business model that supports an economic, social, cultural or environmental mission consistent with a public or community benefit;
- Derive a substantial portion of income from trade-based activities; and
- Reinvest the majority of business profit in the fulfilment of their mission.

This is demonstrated through providing one of the following:

- a) Current Social Enterprise Certification by Social Traders; or
- b) Successful Social Enterprise verified pre-Certification by Social Traders*

*Please see Social Traders Assessment Information Sheet for further details.

3.2 Ineligible Applicants

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

- a) a Commonwealth, State and Local government agency or public body
- b) a company not incorporated in Australia
- c) an industry association or business chamber
- d) a publicly funded research organisation
- e) a sole trader.

4. Project Eligibility

4.1 Eligible Expenditure

Examples of projects supported under this program include:

- Purchasing plant, machinery or equipment (fixed assets that are used to produce goods and/or services for the business) that enables;
 - process improvements or increased production/output workflow and allocation,
 - an increase in operations and/or employment of additional staff (Victorians facing barriers to employment); or
 - upgrades or expansion that allows the business to offer new or different services.

Plant, machinery and equipment must be integral to achieving the project outcomes.

The grant is intended to support one item of equipment per enterprise, however more than one item may be considered on a case by case basis where there is strong justification that it is integral to achieving the project outcomes.

Not all expenditure may be eligible for grant funding. The Department will make the final determination regarding what is eligible expenditure at its discretion.

Successful applicants must meet the cost of any additional and ineligible expenditure associated with their project.

4.2 Ineligible Expenditure

Funding requests that will **not** be considered include:

- Purchase or hire of assets that are available for personal use
- Retrospective funding, where projects have commenced work or activity prior to funding approval
- Business activities or equipment that would be deemed essential for operating (i.e. ongoing salary costs, payroll software, office furniture, digital infrastructure, marketing and signage, computers and other general operating requirements)
- Stock, inventory and single use materials
- Staff training and/or licences associated with the operating new machinery or equipment
- Purchase of land or buildings
- Capital works and improvements
- Permit costs
- Supporting business expansion because of winning a government contract

- Costs that are already funded or partially funded by government funding
- Projects that will require ongoing funding from the Victorian Government when completed

5. Project Timeline

- Notification of application outcomes are expected to be within 10 weeks of application close date (see below 7.2).
- Successful applicants must commence their project prior to June 20, 2022. An executed grant agreement with the Department must be in place prior to project commencement.
- Approved projects must be completed by December 5, 2022
- Program close-out reports to be finalised within three months of completing the project and by no later than March 30, 2023.

6. Assessment Process

A Departmental assessment panel will assess all applications. The panel will:

1. Review and score applications individually against the assessment criteria.
2. Rank all projects against each other.
3. Consider the allocation of funding in relation to reaching a diverse set of social enterprises and priority areas, the following will be considered:
 - distribution across geographical location, industry types, and social missions
 - priority will be given to: small and medium enterprises (SMEs) with less than 20 employees; enterprises located in regional and rural Victoria; and Work Integration Social Enterprises (WISEs) demonstrating employment growth
4. Re-position the project ranking after reflecting on the priority allocation criteria in point (3) above.
5. Determine the number of applications that will be recommended subject to available funding.
6. Recommend the applications for approval.

6.1 Assessment Criteria

An application must address each assessment criterion and make the best possible case for funding. Claims made against each criterion must be substantiated and full details of all underlying risks and assumptions should be clearly stated. Supporting documentation must be attached (See section 8).

All supplementary attachments and information provided as part of the application will be taken into consideration during the assessment process.

Assessment Criteria	Considerations	Weighting
1. How will the project increase your capacity for business growth?	Detail how the project will grow your social enterprise to enable one or more of the following outcomes: <ul style="list-style-type: none"> • employment growth, • access to new markets and customer growth, • access to social procurement, • new products and services, 	30%

	<ul style="list-style-type: none"> increased revenue, broader benefits to the sector. 	
2. How will the project increase your social impact?	Detail how the project will enable the social enterprise to deliver it's economic, social, cultural or environmental mission.	30%
3. How will the project be delivered?	<p>Detail how you will successfully implement the project by demonstrating the extent to which the project:</p> <ul style="list-style-type: none"> is supported by a clear approach and realistic timeframes has all the necessary steps in place to ensure readiness is financially viable, based on sound cost estimates and represents value for money incorporates principles of environmental sustainability has contingency arrangements in the event of any disruption to deliver the project, particularly in relation to COVID-19. 	20%
4. Why does the project need Government support to proceed?	<p>Detail the risks to the project without Government support by demonstrating the extent to which the project:</p> <ul style="list-style-type: none"> addresses an existing challenge, gap or issue for the applicant, has identified evidence for the need based on previous research, has exhausted alternative funding options. 	20%

6.2 Due Diligence Assessments

Applicants are subject to a risk assessment which verifies business details provided with the Australian Business Register, Australian Securities and Investment Commission, Australian Charities and Not-for-profits Commissioner, Consumer Affairs Victoria and/or other applicable regulator.

Any of the following circumstances may be taken into consideration in any decision whether to award a grant:

- Any adverse findings by a regulator regarding an Applicant;
- An Applicant is placed under external administration;
- There is a petition to wind up or deregister the Applicant;
- The Applicant is or becomes deregistered or unregistered (including cancellation or lapse in registration); and
- The veracity of information supplied in the application

The Department may at any time, remove an Applicant from the Application process, if in the Department's opinion association with the Applicant may bring the Department, a Minister or the State of Victoria in disrepute.

7. Application Process

7.1 Prepare an Application

Applicants must undertake the following steps to apply:

1. Carefully read these Program Guidelines and confirm eligibility for this grant.
2. Compile all necessary supporting documents to apply as detailed in the 'Documentation and Information Requirements' section of these Program Guidelines.
3. Submit application online via Program website.
4. Await email confirmation of application submission. Please check spam/junk mail if confirmation email cannot be seen in your inbox.

7.2 Open and Close Dates

Applications Open	22/03/2022
Applications Close	10/04/2022

- Applications must be submitted in the portal by **11:59pm on the closing date**. Please note that late and incomplete applications will not be accepted.
- All applicants will be advised in writing via email of the outcome of their application approximately ten weeks from the closing date.

8. Documentation and Information Requirements

Applicants must include the following documentation:

Document type	Notes
Evidence of Certification	Copy of current Social Traders Certification or evidence of application for Social Traders pre-certification assessment (<i>see Social Traders Assessment Information Sheet (Appendix) for further details</i>)
Financials	12-month Profit & Loss Statement (either Financial Year 21 or Year to Date) to demonstrate 12 months operating income from trading activity
Quotes	At least two itemised quotes relating to proposed project expenditure from a legitimate supplier that includes the supplier's business details and ABN. <i>NOTE: One quote may be supplied where there is strong justification, such as specialist equipment or suppliers. See section 14 regarding conflict of interest.</i>
Project plan	Documentation outlining and supporting the proposed timeline and outcomes of the project. Including any project risks and mitigation strategies.

Other support materials
(optional)

May include letters of support, income projections, studies, master plans, compliance requirements or other evidence of support directly related to the project. *NOTE: Only submit supporting documentation that has a clear correlation to the project.*

9. Conditions of Funding

9.1 Grant agreements

If successful, Applicants will be invited to enter into a legally binding grant agreement with the Department by a date to be determined by the Department. The grant agreement details all funding obligations and conditions.

The funding offer may be withdrawn if the grant agreement is not executed and returned to the Department by the successful Applicant by the date to be set by the Department (anticipated to be 14 days from the date the Department sends the grant agreement to a successful Applicant).

The project must not commence until a grant agreement has been duly executed by both the Department and the successful applicant.

Once the agreement has been executed, the successful Applicant will be required to commence the project within the agreed timeframe. If a successful Applicant does not commence the project by the commencement date, the Department may terminate the agreement in accordance with its terms.

9.2 Publicity/Acknowledgement

Successful applicants must agree to cooperate with the Department in the promotion of the program. This may include involvement in media releases, case studies or promotional events and activities.

Successful applicants must not make any public announcement or issue any press release regarding the receipt of a grant without prior written approval from the Department.

The Department may publicise the benefits accruing to the successful applicant and/or the State associated with the provision of the grant and the State's support for the project. The Department may include the name of the successful applicant and/or grant amount in any publicity material and in the Department's annual report.

The Department may request successful applicant fact checks any text and seek approval to use any owned imagery associated with the activity prior to the publication of any such promotional materials.

If requested by the Department, the successful applicant must ensure that the State's support for the grant is acknowledged on all promotional materials and appropriate signage consistent with the Guidelines for Victorian Government Advertising and Communications or as otherwise specified by the Department.

10. Reporting for Program Evaluation

As a condition of funding, successful applicants will be required to participate in any program monitoring and evaluation activities initiated by the Department. This may include completing surveys throughout the program to measure progress to achieving outcomes, and for up to three years after program completion. Non-compliance could impact future applications to the Department's programs.

Reporting is critical to the department in understanding program impact, supporting continuous improvement in program design and delivery, and delivering more effective grant programs to the people of Victoria.

11. Privacy and confidentiality

Information provided by the Applicant for the purpose of this application will be used by the Department for the purposes of assessment of applications, program administration and program review. In making an application, the Applicant consents to the provision of their information to State and Commonwealth Government departments and agencies for the purpose of assessing applications. If there is an intention to include personal information about third parties in the application, please ensure they are aware of and consent to the contents of this privacy statement.

Any personal information about the Applicant or a third party will be collected, held, managed, used, disclosed or transferred in accordance with the provisions of the *Privacy and Data Protection Act 2014* (Vic) and other applicable laws.

Enquiries about access to personal information, or for other concerns regarding the privacy of personal information, can be emailed to the Department's Privacy Unit by emailing privacy@ecodev.vic.gov.au. A copy of our privacy statement is located at www.djpr.vic.gov.au/privacy

12. Absolute discretion

The Department's decisions on all matters pertaining to the recommendation of grant funding under this Program is at the Department's absolute discretion. This includes not making any funding available, approving a lesser amount than that applied for and amending funding conditions prior to executing a grant agreement without notice.

The Department reserves the right to request the applicant to provide further information should it be deemed necessary.

The Department reserves the right to amend these guidelines and the application terms at any time as it deems appropriate.

12.1 Disrepute

The Department may at any time, remove an applicant from the application and assessment process, if in the Department's opinion association with the applicant may bring the Department, a Minister or the State of Victoria in disrepute.

13. Goods and Services Tax (GST)

Payments will include the grant amount plus GST. An invoice to the Department should show the total amount of the grant plus the required GST.

14. Conflict of Interest

A conflict of interest is a situation in which someone in a position of trust or influence has competing professional or personal interests.

Applicants must advise the Department of any real or perceived conflict of interest relating to a project for which it has applied for funding. This includes any commercial, employment or financial interest in the proposed supplier(s) and any personal interest, such as a family or other close relationship with the proposed supplier(s).

Conflicts of interest for Victorian Government staff assessing the application will be handled as set out in the Code of Conduct for Victorian Public Service Employees (Section 61) of the Public Administration Act 2004 (VIC)

15. Use of Third-Party Grant Writers

If a third-party grant writer is used:

- applicants are reminded that they are responsible for ensuring all information in the application is accurate and correct
- any generic responses to questions in the application may detract from success in the application assessment stage
- the Department reserves the right to seek proof of any data or information provided in the application
- no part of any approved grant amount can be applied to the costs of a third-party grant writer
- a declaration letter acknowledging that applicants have reviewed and accept the content of the application submitted must be attached to the application.

16. Further Resources

Further information regarding this program can be found here: <https://business.vic.gov.au/grants-and-programs/social-enterprise-support-grants-program>

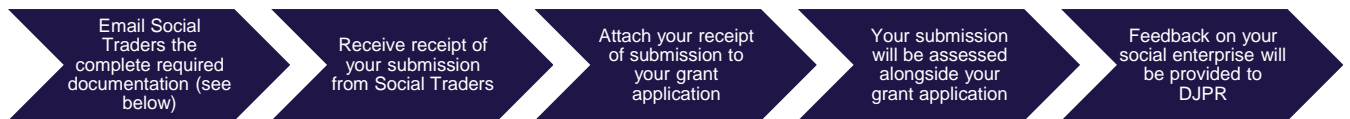
If you have any questions during the application period, please contact SPE@ecodev.vic.gov.au

Appendix

Social Traders assessment information sheet

This sheet is for enterprises who are not yet certified with Social Traders and intend to apply for the Social Enterprise Support Grant 2022.

Process for pre-certification assessment:



Required documentation

1. 500 word statement describing your social enterprise:
 - The social, cultural or environmental purpose of your enterprise.
 - The primary intent for establishing and operating your enterprise.
 - The problem definition i.e. what is the social, cultural or environmental problem your enterprise is addressing.
 - The main activities your enterprise engages in to generate social or environmental impact.
 - What goods and services you sell.
2. ABN
3. Link to your website
4. 12 month Profit & Loss statement (either FY21 or Year to Date).
5. Any other supporting information on your social enterprise model.

Please submit your documentation to certification@socialtraders.com.au