

Community Services Programme

New Rule Changes

Frequently Asked Questions
(FAQs)

October 2015



General Questions

Q 1. When will the new CSP rule changes take effect?

A. The new rule changes outlined in the accompanying email will take effect from 1st January 2016.

Q 2. Will all the new rule changes have a direct impact on my organisation?

A. The rule changes in relation to sub-contracting and legal status will impact on a relatively smaller number of CSP service providers where certain circumstances arise.

It is important that all CSP service providers review the rule changes and determine if they are relevant to your organisation.

Q 3. What are the implications of the new rules for Audits conducted by Pobal?

A. Service providers must comply with the new CSP rules from 1st January 2016. Any audit/verification conducted after this date will require evidence of compliance with the rules where relevant. This can be provided via Service level agreements, or amended Memos and Arts, if applicable to your organisation.

Q 4. Will the Pobal CSP Manual be revised to reflect the new rules?

A. Yes, the CSP Manual will be revised and distributed to all CSP service providers in advance of the introduction of the new rules on 1st January 2016. The Manual will also provide additional guidance on matters such as income generation and the use of FTE hours.

Sub-Contracting

Q 1. What type of instances might apply that would make sub-contracting acceptable under CSP?

A. Such instances may relate to the location of the service, the intended target group for the service, the specialist nature of the service in question, or a combination of same. Each situation that arises will need to be reviewed on its own merits. This rule change is primarily about regularising a small number of arrangements that currently exist within the programme.

Q 2. Does this mean from 1st January 2016 service providers can proceed to sub-contract the delivery of a CSP funded service if we so wish?

A. No. As mentioned above, this rule change is primarily about regularising a small number of arrangements that exist currently within the programme. Any proposal to sub-contract the delivery of a CSP funded services must be discussed and formally agreed in writing with Pobal in advance. This new rule will only be applied in exceptional circumstances. Contact your designated Development Co-ordinator to discuss your circumstances if you feel that an exception needs to be made.

Legal Status

Q 1. How do I know if this rule change is relevant to my organisation?

A. If the legal status of your organisation is currently that of a company with share capital, or that of a statutory body who delivers a CSP service, then this rule change is of relevant to you. In each of the above scenarios, and not withstanding any changes required as a result of the new Companies Act 2014, the Memorandum and Articles of Association, or Constitution of all such service providers must include the following clauses/provisions from 1st January 2016:

- In the winding up of the entity, any surpluses/assets/reserves must only be the transferred to a company or organisation with similar aims and goals i.e. for the benefit of the community/target groups.
- No income and property of the company or portion thereof shall be paid or transferred directly or indirectly, whether by way of dividend, bonus, distribution of profits, or otherwise to the Directors, shareholders or members of the Company.
- No Director of the Company shall be appointed to any office of the Company paid by fees and that no remuneration in money or money's worth shall be given to any Director

Service Providers should liaise with their own legal advisors in relation to the above requirements.

Service providers that are companies limited by guarantee or industrial and provident societies (co-operatives) need not concern themselves with this rule change.