

# Dormant Accounts Fund

## Training and Mentoring Supports for Social Enterprises Pilot

### Key Requirements for Grantees

Version 1

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Rialtas na hÉireann  
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## 1. Introduction

This document provides guidance for grantees on key requirements relating to the administration of funding under the Dormant Accounts Fund (DAF) Training and Mentoring for Social Enterprises (TMSE) Pilot. The guidance should be used by boards, managers, project managers/coordinators, project workers and financial administrators for the effective management and administration of DAF funding.

## 2. DAF Grant Agreement

Each organisation funded under DAF is issued with a formal grant agreement from Pobal. The grant agreement specifies the purpose of the grant, delivery period, key project actions, outputs and outcomes and the agreed project budget. It also specifies all special and general conditions applicable to the grant.

On receipt of your grant agreement, please print the document in full to have it considered by your Board and subject to board approval obtain the relevant authorised signatories as indicated in Parts 4 and 5 of the agreement. Return by email a signed and scanned copy of the complete document and retain on file for your own records.

All information Pobal holds in relation to your grant agreement is subject to the Freedom of Information (FOI) Act and we will be required to provide information on request to third parties. Please advise Pobal if some of this information is sensitive and this will be considered in the event of an FOI request.

## 3. Key timelines

The following Table provides a summary of key dates that grantees need to take note of. Reporting will take place for the periods up to the dates outlined below. The DAF Portal is a specially designed online site through which grantees will interact with Pobal in the context of submitting financial returns and progress reports. Further guidance in relation to accessing the DAF Portal will be issued well in advance of the deadlines for completing the required reports.

First Payments	Financial Returns		End of Project Report (non-financial)
January 2019	31 March 2020 30 June 2020	Mid-term Final	15 July 2020

## 4. Pobal support

On entering a grant agreement, a Development Co-ordinator will be assigned to each Grantee to provide on-going support, address any specific project queries and provide clarifications where needed. All other programme queries should be referred to [dormantaccounts@pobal.ie](mailto:dormantaccounts@pobal.ie).

## 5. Eligible costs

All costs which are additional, incurred for the delivery of the proposed project are eligible. This includes salary costs, delivery costs and overheads. All costs applied for must be real and demonstrable costs and subsequently verifiable by Pobal and or the Department.

Grantees must be aware that if they cannot provide satisfactory evidence to support the verification of costs, any such costs may be deemed ineligible and the relevant grant amount would have to be repaid to the Department.

*Salary costs:* Salary costs associated with the work of new or existing staff in the delivery this pilot programme are eligible. Salary costs which are paid from any other source are not eligible.

### - *Existing employee(s) costs*

Costs associated with existing employee(s) who will work on the project applied for are eligible for consideration where these costs are additional to the current operations of the applicant body. Examples of additional costs include:

- An increase in an employee's current working hours
- Increasing an employee's role from a part-time to full-time position
- Cost of overtime for relevant employee(s)

Grantees should ensure that they comply with Working Time Act 1997. Rates paid for extra hours or overtime must be in line with the applicant's policies and procedures.

### - *New employees*

The costs of recruiting and employing a new employee for the duration of the project are eligible. The new employee may be recruited to work directly on the project, or to back-fill for an existing employee who is being redirected to the project for a period of time.

*Project delivery costs:* Project costs are directly related to the delivery of the project.

*Overhead/indirect costs:* These costs relate to the overall administration, management and support of the whole organisation. Please refer to *Section 10* for reporting overhead/indirect costs.

## 6. Ineligible Costs

The following costs **are ineligible for funding**. Please note this is not an exhaustive list.

- Retrospective costs i.e. expenditure incurred before the grant agreement (contract) is signed and approved
- VAT, if your organisation is registered for VAT
- Funds to build up a reserve or surplus
- The purchase of land or buildings
- Routine building or machinery repairs and maintenance
- Costs not directly related to the purpose of the funding
- Notional costs
- Costs where it is clear the Dormant Accounts Fund is a substitute for other public funding that is currently available
- Core costs which are funded by another funding programme
- Relevant overhead costs such as vehicle running costs, insurance and maintenance costs/salaries
- Redundancy costs
- Flights/cost of foreign travel

## 7. Project reporting

Grantees will be required to submit one non-financial end of project report by **15<sup>th</sup> July 2020** covering the period from the project start to 30<sup>th</sup> June 2019.

Grantees will be required to report on progress against the output indicators identified as part of the applications process. Each organisation will collate data and provide results to Pobal against each of the output indicator(s) listed in their grant agreement (contract). In addition, grantees will be required to respond to a set of specific questions in relation to achievements, challenges and lessons learned during the project implementation.

In addition, a check-in telephone call will be made to each group at the mid-point juncture upon receipt of the first expenditure return to check that the grantee is on target to complete the project.

Pobal will provide a reporting template and short reporting guidelines to grantees. Reports will be submitted via the **DAF Portal** used in the funding application process.

The data from individual project reports will be collated by Pobal into an overall report for the Department.

## 8. Financial payments

The Pobal system of grant payments is intended to provide forward funding for grantees.

## Payment Schedule

Pobal calculates the payments based on the amount of funding approved by the Department as follows:

For grants up to €50,000, there are two instalments.

- 90% of the grant awarded on receipt of the signed grant agreement and compliance with all pre-payment conditions included in the grant agreement.
- 10% paid retrospectively. The amount paid depends on the final verified expenditure, submission of progress report and evidence of compliance with all grant agreement conditions.

For grants of greater than €50,000 there are three instalments.

- 60% of the grant awarded on receipt of the signed grant agreement and compliance with all pre-payment conditions included in the grant agreement
- 30% of the grant when the grantee has spent 50% of their first instalment and have submitted an expenditure claim in which the expenditure reported therein has been verified on review by the Pobal finance team.
- 10% paid retrospectively. The amount paid depends on the final verified expenditure, submission of all progress reports and evidence of compliance with all grant agreement conditions.

Payments are subject to:

- Evidence of compliance with the public procurement guidelines. If the grantee does not comply with the public procurement guidelines, financial sanctions apply e.g. Expenditure will be deemed ineligible and the grantee may need to repay some of the grant back to Pobal/the Department of Rural Community Development.
- Eligibility of the costs as per the guidelines for the programme.

## Preparation for first payment

To ensure Pobal is in a position to approve your first grant instalment, it is essential that your board members read the grant agreement thoroughly, understand its provisions and address any pre-payment conditions, before signing and returning to Pobal.

You will be asked to submit the following in order to secure your first payment:

**Your Tax Reference Number (TRN)** – this must match your Company / Co-op name that appears on your memorandum and articles of association (or rules) and the Pobal Grant Agreement. Please follow this link to the [Verification of tax clearance status](#) on the Revenue website for details on how to access this number.

To access an up to date Tax Clearance Access Number (TCAN), please refer to [www.revenue.ie](http://www.revenue.ie)

### Acceptance of the Agreement:

- Print the document in full to have this considered by your Board and subject to board approval;
- Obtain the relevant authorised signatories as indicated in Part 4 and 5 of the agreement; in Part 4 complete 4.2 Bank Account Details and 4.3 Declaration of Authorised Signatories
- Return by email a signed scanned copy of the complete grant agreement within the specified timeframe on your cover letter; grantees are reminded to retain a signed copy of the grant agreement for your records.
- Insurance indemnification of Pobal and the relevant Government Department on the organisation's insurance policy.

### Final payment

The final 10% of the DAF grant will be paid retrospectively on receipt and approval of your final financial return and progress report (i.e. after 100% of the grant has been spent and reported). Please ensure that you have the funds in place to cover your costs pending receipt of the final payment. In order to receive the final payment, all expenditure related to the project (DAF and any co-funded elements) must be incurred and paid out of your bank account **by the project end-date** and included on the final return to Pobal. Any outstanding project queries or issues must all be finalised.

All cheque payments must appear on bank statements as cashed **by the project end-date**. For expenditure to be deemed eligible, it must be cash on a bank statement by the final date of the project implementation period. Outstanding cheques cannot be included as part of an expenditure return.

## 9. Financial returns

It is important to ensure that returns/reports submitted to Pobal are approved by the appropriate personnel or board members in your organisation, and that all supporting documentation is attached and in agreement with the reported expenditure. The reporting process will involve downloading a Financial Return excel template from the portal, populating the form with the necessary information and uploading the completed return to the appropriate location for review by the Pobal finance team<sup>1</sup>.

A technical manual will be made available which will guide you through the process of completing a return and any subsequent drawdowns.

In completing the return you will be required to provide supporting documentation including bank statements for the full period of activity covered by the return in which the reported spend has been incurred.

- When using a cost centre system, relevant transactions must be highlighted on the bank statements.

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<sup>1</sup> Further details will be provided regarding the financial returns process in due course.

- In exceptional circumstances where bank statements are not available, and if agreed in advance, an alternative method demonstrating that all Dormant Account Fund payments have been cashed will be accepted.
- Salaries: Gross-to-net report from payroll system.
- Copy invoices are required for all non-pay costs greater than €3,000 (e.g. Training, Venue hire, Materials etc.)
- Copy invoices are required for any capital costs incurred.

### **NB: Part-time trainers**

Please read Revenue eBrief No. 161/19 [here](#) in relation to taxation of part-time trainers/teachers/lecturers and contact your local Revenue office to establish the implications of this on procedures regarding payments to relevant external consultants.

## **10. Final financial report**

In concluding your grant agreement, you will be required to submit a final return up to the Grant Agreement end date.

- All expenditure must have been presented and cashed through your bank account in order to be deemed eligible.
- Un-cashed cheques will be ineligible, with the exception of payments to the Revenue Commissioners. No salary costs incurred after the project end date will be eligible.
- Where the final statement of expenditure is less than the total value of your grant, you will be required to waive your entitlement to the outstanding balance and return any unspent monies from your bank account. This process is often referred to in Pobal as the 'voluntary decommitment of funds'.
- It should be noted that ineligible expenditure identified in your final financial return or during an Audit/verification visit, will result in a refund being due to Pobal.

Once we have received your final financial and monitoring reports and all outstanding queries are resolved, we will be able to issue the remaining part of your grant, up to 10% of your budget amount (if such an amount remains to be paid by Pobal). Please ensure that you have working capital funds in place to cover your expenditure until the final return is approved and the final payment released.

Details of project conclusion process will be provided near the project end dates. Please bear in mind payments are made subject to the satisfactory monitoring by Pobal and the resolution of any outstanding queries or issues.

### **Reporting of indirect or overhead costs**

These costs are declared on a fixed rate basis of up to **10% of direct costs**. This rate is a fixed percentage for the duration of the Project.

At each return period, the total of eligible direct costs for the period is multiplied by the **fixed indirect cost percentage of 10%**, this equates to the maximum overheads/indirect costs that can be claimed in your return.

**Direct costs:** Salary + Programme x 5% = eligible overhead costs.

A separate line on the payments journal should be inserted as indirect costs using the above calculation

## 11. Change of project budget process

Changes to individual budget lines of amounts less than or equal to €2,000 on programme costs are allowable. There should be no transfer between main budget headings i.e. Programme and Salary costs without first seeking written approval from Pobal.

Significant budget changes (those greater than €2,000 per individual budget line item of your detailed budget) can be requested and will be considered on a case-by-case basis. To request a significant change, the rationale for the change requested must be clearly stated, along with how the project can continue to meet the intended objectives and offer value for money. This request should be signed by one of the authorised signatories per your grant agreement. Pobal anticipates that any changes will relate to programme costs. Pobal will not consider any budget changes made after final reporting has been signed and submitted. Please monitor project completion and spend throughout the project lifecycle.

The agreed budget is detailed in Part 1 of your grant agreement. The profile of expenditure can only be changed with the written approval of Pobal.

If approval for a budget change is sought retrospectively, the change may not be approved and the cost already incurred may be deemed ineligible and have to be borne by the grantee.

## 12. Timesheets

It is a requirement to keep timesheets for staff members whose wages are partly, but not 100%, supported with DAF funding. These timesheets should show the time spent on all activities, including the DAF project activities, on a weekly basis. The timesheets should be signed by the employee and reviewed and signed off by the relevant manager on a regular basis (e.g. weekly or monthly).

## 13. Public procurement

All goods and services purchased with funding must be procured on the basis of the public procurement guidelines available at <http://www.etenders.gov.ie>. A brief

synopsis is provided in the table below of the tender thresholds for supplies and services only. There are specific thresholds for 'Works' procurement which relates to renovation and construction. It is imperative that you familiarise yourself with the full requirements of the public procurement guidelines as failure to comply with public procurement requirements will lead to financial penalties.

<b>Less than €5,000 excluding VAT (Record to be maintained)</b>	Obtain verbal quotes from <b>one or more</b> competitive suppliers. Select lowest price/most suitable. Maintain written record of any verbal quotes sought.  Although national procurement regulations allow for verbal quotes for low value items only, Pobal recommends that a written quote is sought in all instances.
<b>€5,000.01 to €25,000.00 excluding VAT(Record to be maintained)</b>	A minimum of <b>3 written quotations excluding VAT</b> sought from competent suppliers who ordinarily supply the relevant service.
<b>€25,000.01 plus excluding VAT (Record to be maintained)</b>	Requirements should be advertised through a formal tendering process on <a href="http://www.etenders.gov.ie">www.etenders.gov.ie</a> .

Please ensure that you are aware of the changes surrounding tax compliance of suppliers where you have a contract of service / goods exceeding €10,000. This section [Verification of tax clearance status](#) on the revenue website explains how to verify the tax compliance of a supplier. All copies of the tax compliance should be retained on your files for inspection by the Department and Pobal.

### Trainer and mentor panels

The above guidelines should be observed in the procurement of all external consultants, including trainers and mentors. Where an organisation has a properly procured panel of trainers and mentors, this can be drawn upon for the delivery of this project.

## 14. Recruitment and employment

The recruitment and selection procedure and process for all staff positions directly related to the DAF-funded project must be transparent, clearly documented and available for inspection. Please refer to *Section 5* in relation to eligible salary costs.

All DAF-funded staff positions must be additional to existing positions that exist within the grantee organisation. Grantees are expected to follow best HR practice in relation to the recruitment and employment of staff funded under DAF. For further guidance please refer to volume three of the [Pobal Managing Better Toolkit](#) on *Human Resources*.

## 15. Communication and publicity

There is a need for grantees to think strategically about how to communicate about their project, and make appropriate use of various communication platforms including social media and websites. All funded groups should ensure that adequate information is made available in relation to their project. This is important in terms of promoting projects, communicating the achievements of projects and boosting the profile of the Dormant Accounts Fund in general.

Grantees are required to acknowledge the support of government under DAF on all project-related information and publicity material. The following guidelines apply depending on the nature of your funded project.

**For grantees who have been awarded operational funding, including the funding of staff**, a poster displaying the Dormant Accounts Fund's logo and the following strapline should be displayed prominently on the organisation's premises:

*'This project was approved by Government with support from the Dormant Accounts Fund'.*

The support of the Dormant Accounts should also be acknowledged on all promotional material such as information leaflets, newsletters, press releases, invitations, letterheads and annual reports.

In relation to job advertisements, The Dormant Accounts Fund logo and the above DAF strapline should be displayed.

Grantee websites should include a page or section relevant to their DAF project and include the DAF logo and strapline.

- The DAF logo is available [here](#).
- The DAF poster will be made available on the DAF Portal.

## 16. Audit and verification

In administering public funds on behalf of the Irish Exchequer, Pobal has a responsibility to ensure funds are spent on the purposes intended. It is the responsibility of each funded grantee to ensure that funds are spent on eligible activities, and that both the end users of the funds and the funded grantee have adequate controls in place to safeguard the funds at all times.

Pobal independently appraises the financial and administrative controls of funded grantees to ensure they comply with the public accountability requirements of the programmes they operate. Pobal carries out this role through the audit team which continuously carry out on-site audits/verification visits of Pobal funded programmes.

### **Right of access**

Pobal, the Department of Rural and Community Development, and the Comptroller and Auditor General, and their agents have a right of access at all reasonable times to enter on any property owned or occupied by the funded company, and to inspect and take photocopies of all records relating directly or indirectly to the Pobal grant monies.

### **Conducting the audit/verification**

The audit/verification is carried out at the company's premises. The length of the audit/verification varies, depending on issues such as the length of the period being audited, the number of programmes being audited, the complexity of the organisation, etc.

If a previous audit/verification visit was carried out, the auditor will check that the recommendations of the previous audit/verification visit have been implemented. If these recommendations were not implemented satisfactorily, the report will highlight this.

A major part of the audit work is to examine the financial records that the funded grantee has used to prepare the expenditure reports to Pobal, and the audit trail (i.e. the 'paper trail' or direct link) from the records to the reports. In doing this, the auditor will assess the accuracy of the reports, the eligibility of spending, and the classification of spending in the reports. Similarly, the auditor reviews the adequacy of the accounting systems and related internal controls that the funded grantee operates, to ensure that the public funding is safeguarded and spent on eligible activities in keeping with the terms and conditions of the providers of funding (e.g. this would typically include the opening and maintenance of bank accounts, delegation of duties to staff members, etc.).

When the auditor has finished the fieldwork, they will normally hold an informal post-audit meeting with the CEO/Manager. Pobal may request a board member to be present.

### **The final audit/verification report**

The audit/verification report is issued to the chairperson of the board of directors and the findings are set out under two specific categories, i.e. A and B. Category A findings are key issues which need to be addressed within the framework of specific action plans, whereas the category B findings are additional weaknesses identified which

merit attention but are considered less significant. Pobal requires that an unabridged version of the audit/verification report is circulated to the company's directors in advance of the next board meeting, and considered at that meeting. Each grantee is asked to submit a written response to the audit/verification report, which includes a reasonable timescale for addressing any weaknesses identified.

### **Following the audit/verification**

Pobal considers in detail the reply sent by the grantee in response to the audit/verification report. Depending on the reply, and on the particular circumstances of the audit/verification, Pobal may close the audit/verification file or request further clarifications, assurances, explanations, etc. from the grantee, as necessary. If a grantee fails to adequately respond to requests for specific information etc. arising from an audit/verification, Pobal may take additional follow up action as appropriate.

## **17. Data Protection and GDPR**

Since 25<sup>th</sup> May 2018, the General Data Protection Regulation (GDPR) has given individuals greater control over their data by setting out additional and more clearly defined rights for individuals whose personal data is collected and processed by organisations. The GDPR also imposes corresponding and greatly increased obligations on organisations that collect this data.

All DAF grantees are required to comply with the provisions of the Data Protection Acts (1988 and 2003) and the General Data Protection Regulation, when collecting, handling and storing personal data which is made available through the delivery, management and administration of your DAF grant. For the purposes of DAF, grantees are designated as data processors.

Please note that all documentation relating to your DAF project must be retained for a period of 7 years from the end of your grant agreement.

Grantees are also data controllers in respect of personal data which is processed for their own purposes, when they determine the nature and scope of the processing. In this regard, your organisation must exercise control over the data processing and carry data protection responsibility for it.

Personal data is any information that can identify an individual person. This includes a name, an ID number, location data (for example, location data collected by a mobile phone) or a postal address, online browsing history, images or anything relating to the physical, physiological, genetic, mental, economic, cultural or social identity of a person.

The GDPR is based on the core principles of data protection which requires organisations to:

- collect no more data than is necessary from an individual for the purpose for which it will be used;

- obtain personal data fairly from the individual by giving them notice of the collection and its specific purpose;
- retain the data for no longer than is necessary for that specified purpose;
- to keep data safe and secure; and
- provide an individual with a copy of his or her personal data if they request it.

Your organisation is required to meet a very high standard in how they collect, use and protect personal data. Your organisation must always be fully transparent to individuals about how they are using and safeguarding personal data, including by providing this information in easily accessible, concise, easy to understand and clear language.

Organisations must ensure that their data protection policy is GDPR compliant. It is important that all staff who are involved in the processing and storing of personal data, are familiar with your organisation's data protection policy.

Your Data Protection Policy should include:

- who is responsible for the data protection policy
- the organisation's procedure for processing data
- how to process subject access requests
- the process for reporting breaches in data protection
- staff training to increase awareness of procedures and understanding

For further information and resources, visit the Data Protection Commissioner at [www.dataprotection.ie](http://www.dataprotection.ie) or visit [www.gdprandyou.ie](http://www.gdprandyou.ie)