

# Job Expansion Fund Reference Document

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## **1. Background**

National job creation is a key priority for development and Enterprise Ireland's Job Expansion Fund will provide support to eligible clients taking on a development plan to increase employment.

## **2. Objective of the Job Expansion Fund**

The objective of the Job Expansion Fund is to assist Enterprise Ireland client companies with significant growth potential, achieve increased employment.

A company can obtain a maximum grant support of €150,000 and the support rate per job will vary up to a maximum of €15,000 or 50% of the salary costs whichever is the lesser.

## **3. Funding**

The funding for this Fund is provided within Enterprise Ireland's existing budgets.

## **4. Legal Basis**

The Job Expansion Fund is administered in accordance with the Industrial Development Act 1986, Section 25.

## **5. State Aid Basis**

The State Aid basis is the De Minimis aid Guidelines, the Guidelines on National Regional Aid for 2007 to 2013 (2006/C 54/08).

## **6. Eligibility Criteria**

This fund is open to existing and potential Enterprise Ireland clients who:

- are companies that meet the requirements of the Industrial Development Act 1986
- have been generating reasonable levels of revenue (i.e. generating sales) for at least 2 years before the date of application. In calculating the 2 year period referred to in the previous sentence, the period, if any, during which a business was trading prior to being acquired by the applicant (if any) will be taken into account
- employ **10 or more employees** and less than 250 at the time of application
- are an SME
- will generate a minimum of three new full-time jobs where a full-time employee is defined as an employee who works at least 35 hours per week
- will demonstrate a minimum increase in turnover of €350,000 over the next two years
- the majority of the projected planned increase in turnover must be related to international trade
- The new jobs must not result in the displacement of existing jobs
- The base number of jobs at date of application plus the New Jobs created must be retained for a minimum of three years.

## 7. Eligible Projects

The Job Expansion Fund will support business plans which meet the following criteria:

- Projects that clearly demonstrate a minimum increase of three employees
- Are submitted by Irish based firms in manufacturing and/or high growth potential traded services companies
- Are an integral part of the strategic development plans of the company
- Clearly show how companies have planned to undertake a development plan
- Have not incurred recruitment costs or signed employment contracts before the call close date for which the project is submitted.

## 8. Ineligible Projects

- a) The fund is not available to large companies
- b) The fund is not open to partnerships
- c) Activities not covered in the original company application or specifically excluded in the notification of approval.

## 9. Recruitment of staff (employment grants)

Financial support is available to assist companies with the costs of recruiting staff, with skills that are critical to the Company's Business Plan.

### Eligible Costs

- The basic salary cost (less employer's PRSI) of the new employee, for one year maximum, is eligible for assistance if the person is additional to the employment levels at time of approval. 50% will be paid on signing of the employment contract and 50% upon completion of 1 year contract.

## 10. Eligible Expenditure

In the case of successful applications, only eligible expenditure incurred from the relevant call close date in which the application was submitted will be considered for funding by the Job Expansion Fund Approval's Committee. Costs associated with staff recruited before the call close date will not be eligible for support. New staff cannot be recruited in advance of the call close date.

## 11. Job Expansion Fund Committee

Call Close dates for 2012

- 19th April 2012
- 21st June 2012
- 16th August 2012
- 18th October 2012
- 20th December 2012

### 11.1 Membership

The Job Expansion Committee will be made up of the following members:

<b>Chairperson</b>	
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<i>Representatives from each of the following:</i>	
Enterprise Ireland	<i>Appointed by Enterprise Ireland</i>
Bord Bia	<i>Nominated by Bord Bia</i>
Private Sector members	<i>Appointed by Enterprise Ireland</i>
Department of Enterprise, Jobs and Innovation	<i>Nominated by DEJI</i>
Department of Agriculture & Food	<i>Nominated by Department of Agriculture &amp; Food</i>

## **11.2 Powers and Functions of the Committee**

The Committee:

- Shall have power to approve funding assistance under the Job Expansion Fund subject to the terms and conditions of the Job Expansion Fund.
- Shall decide the terms and conditions of individual grants within the framework of the fund.
- Shall decide its own procedures and shall agree the procedures for administering applications for and payment of grants and the Commercial and Technical Evaluation Scoring process.
- Shall have the responsibility to ensure consistency, transparency and equity in the operation of the fund.

## **12. Delegation of Power**

Standard Enterprise Ireland delegated powers apply.

### **13. Maximum Funding Levels**

Funding for the Job Expansion Fund is in the form of grant. The maximum grant available under the Job Expansion Fund is €150,000.

Companies who have been in receipt of Business Expansion Scheme (BES), Seed Capital Scheme (SCS) or Enterprise Investment Incentive (EII) support within the last three years or have received de Minimis grant support from other sources within the last three years may be subject to grant restrictions (see appendix 1)

### **14. Approving Committee**

Projects are approved by the Job Expansion Fund Approval's Committee, normally 8 weeks after the call close date that the Company's application was submitted. Details of the Committee were given in Section 11.

### **15. Applications**

Application forms and the reference document are available on the Enterprise Ireland website [www.enterprise-ireland.com/jobexpansionfund](http://www.enterprise-ireland.com/jobexpansionfund)

The completed application form must be returned to the Client Service Unit, Enterprise Ireland on or before 6:00PM on the Call Close date. All applications for assistance must be submitted on the standard application forms and must be accompanied by the latest audited (unless the applicant has availed of Audit Exemption) and management accounts.

Applications should be submitted<sup>1</sup> by e-mail as a READ ONLY file to:  
**CSUjobexpansion@enterprise-ireland.com**

Clients should note that this is not a secured e-mail transmission.

Receipt of applications will be acknowledged by the Client Services Unit (CSU) within 3 days. If after this period you have not received acknowledgement then you should contact CSU by e-mail: **CSUjobexpansion@enterprise-ireland.com** or by phone on (01) 727 2892

### **16. Project evaluation**

Project evaluation will consist of a commercial assessment. The approving committee will be presented with an assessment of the project, which incorporates comment on the following assessment criteria:

- Value for money for the State taking into account
  - (a) the performance against targets set in previous Enterprise Ireland investments
  - (b) the quality of this project including comparison with previous state funded projects and
  - (c) the overall amount of State funding received by the company in the last two years.
  
- How the business plan is an integral part of the strategic development plan of the company,
- Financial track record of the company,

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<sup>1</sup> Alternatively a TYPED hard copy of the application can be submitted to Enterprise Ireland, Job Expansion Fund, Client Service Unit, The Plaza, Eastpoint Business Park, Dublin 3.

- Development needs of the company,
- Previous track record in implementing previous State funded projects (if any).

### ***17. Project Assessment***

The projects are assessed by the Job Expansion Committee based on:

- Company's application form and financial information.
- Commercial Assessments which will be based on the company's development plans.

The Committee will be presented with an assessment of the project incorporating comments on a range of assessment criteria such as:

- The expected impact of the proposed project on providing new **employment**,
- The expected impact of the proposed project on the company's **international trade** potential,
- The expected impact of the proposed project on the company's **commercial viability**,
- Evidence of **additionality** of the project when compared to what the company is already engaged in,
- Justification of the **company's need for financial assistance** to support the project.

### ***18. Post approval stage***

After project proposals have been considered by the Committee, Enterprise Ireland will inform the applicant company of the outcome of the Committee's decisions. In the case of successful applicants, a formal letter of offer will be issued. This letter of offer when accepted forms a legal agreement between Enterprise Ireland and the company.

### ***19. Time period for approval and drawing down grants***

Companies when they accept the letter of offer must return the acceptance within **60** days from the date of the letter of offer.

Companies must incur and pay for all expenditure and submit claims for payment no later than the Final Claim Date noted in their Letter of Offer. Any balance unclaimed after the Final Claim Date will be cancelled.

## Appendix 1

### 1. de Minimis

State Aid given to an enterprise which cannot exceed €200,000 (from 1st January 2007) over any three fiscal years to any company irrespective of size or location. De Minimis Aid can come from any State body, agency or department. If a Company is part of a group then the €200,000 limit applies to the group.

### 2. BES/EII/SCS

The BES/EII/SCS schemes are tax relief incentive scheme that provide tax relief for investment in certain corporate trades. With effect from 1<sup>st</sup> January 2007, a company that raises capital under these schemes, or risk capital that will later be certified as BES/EII/SCS, will have to reduce certain other State-aids by 50% in the "non-assisted" areas and by 20% in the rest of Ireland until the entire amount of BES/EII/SCS received within the last three years has been recouped. See Revenue Document IT 55 for details.