

FAQs for Third Sector Enterprise Fund and Third Sector Credit Union Fund

Introduction

The Scottish Government is committed to making strategic investments in ambitious and enterprising third sector organisations to help them become more sustainable. We recognise that in the current economic climate there is potential for a significant increase in demand as well as new opportunities for enterprising third sector organisations. In turn they become an even more vital component in ensuring resilience within our communities.

Over the next two years we will make available £12 million through the Third Sector Enterprise Fund and Third Sector Credit Union Fund. We want these new funds to help third sector organisations to build their capacity, capability and financial sustainability. We believe that a strong, active and ambitious third sector can make a key contribution to the Scottish Government's [National Outcomes](#).

The link below gives more information about the Investment Strategy for both Funds:

- [Investment Strategy](#)

Third Sector Enterprise Fund

1. How much can we apply for?

You can apply for between £25,000 and £100,000 from the Third Sector Enterprise Fund. We expect to make awards from the fund throughout 2009. However, all awards must be claimed by the end of March 2011. Please ensure your application has been fully prepared before you apply as we will return incomplete applications, and this will result in delays.

2. Do we need to find matched funding from other sources to support our application?

We want to maximise the investment potential of the Fund, therefore we are keen to see applications that identify other resources that will contribute towards planned organisational development and growth. This might include loans, grants from other funding sources, and contributions, both in cash and in kind, from partners or your own organisation.

3. What difference will the Fund make?

We expect the Fund to support the ongoing sustainability of ambitious and enterprising third sector organisations. Here are some examples of ways in which the Fund could do this:

- Increased sustainable income from securing new contracts;

- Increased financial independence/health and less dependence on grants/loans;
- Stronger/more effective Boards and governance arrangements in place;
- Staff with more or better skills allowing your organisation to deliver better quality services;
- Organisations better equipped to identify and exploit market opportunities;
- Organisations with better management systems and processes.

4. What activities will the Enterprise Fund support?

The Fund will support the following types of activity:

- Development of enterprising and innovative business models to increase income generation and financial sustainability;
- Organisational development and capacity building – including processes and operations, marketing and business development, workplace changes or reorganisation, governance and financial controls;
- Innovative approaches to improve business and service efficiency and increase growth potential; and,
- Support for skills, skills utilisation and workforce development.

This list is not exhaustive, we are keen to encourage and support innovative ideas.

The Fund can contribute towards both capital and revenue costs associated with proposals. For example this might include things like buildings, plant and machinery, or specialist advice and support with marketing, human resources, accountancy or legal issues.

5. What will the Fund not support?

The Fund will **not** pay for your day-to-day running costs or project delivery. We want to support your organisation towards a transformational step change process that will enable it to become more sustainable.

The Fund **will not support** organisations that are insolvent or at risk of insolvency, or activities where the beneficiaries live outside Scotland.

The Fund will **not** provide funding for intermediary activities – but intermediary organisations can apply for support for social enterprise or other activities that meet the criteria of the Fund.

6. Who can apply?

We will welcome applications from established third sector organisations with an appropriate 'legal personality' which reinvest any surpluses for a social purpose. **This includes Credit Unions.** We expect applicants to be located or operating/trading in Scotland. This can include UK-based organisations working with Scottish beneficiaries. We are especially keen to encourage proposals from two or more third sector organisations working together in partnership.

7. What is the application process?

You can find out about how to apply to the Enterprise Fund and download an application form and help notes at the link below:

- [Information and Guidance for Applicants](#)
- [Application Form](#)
- [Help Notes](#)

All applications of over £70,000 need to be supported by a Business Plan. CEiS may be able to help you to develop your Business Plan.

You can find out more about CEiS via the link below:

- [CEiS](#)

8. Where can I get help with my application?

There are a number of other national intermediary and support organisations that may be able to offer you help with your proposal.

These include:

- [Senscot](#)
- [Forth Sector](#)
- [Social Firms Scotland](#)
- [SCVO](#)

The Third Sector Credit Union Fund

We have set aside £250,000 from the Enterprise Fund for small grants especially for established Scottish Credit Unions. This will help Credit Unions to increase their capacity, capability and financial sustainability. The Fund will support credit unions who want to grow and operate in a more enterprising way.

1. What is a Credit Union?

Credit unions provide savings, current accounts and loan facilities, as well as financial advice and guidance. They often work closely with money advice providers and other agencies, including Citizens Advice Bureaux, to help people with debt problems, and those on low incomes who cannot access mainstream financial products. All Credit Unions are regulated by the Financial Services Authority (FSA).

2. How much money can we apply for?

If you are an established Scottish Credit Union, you can apply for between £2,500 and £25,000 from the Credit Union Fund. If you need more than this, you can apply to the Third Sector Enterprise Fund.

3. What activities will the Credit Union Fund support?

The Credit Union Fund will support:

- Innovative approaches to improve business and service efficiency and growth potential - for example by developing new or extending existing services and products;
- Sustainable growth through organisational development and capacity building – for example this might include business planning, volunteer/staff training and development;
- Collaborative working between credit unions and/or other organisations – for example housing associations, money advice providers and Citizens Advice Bureaux.

Again, this list is not exhaustive; we are keen to support innovative and enterprising proposals from Credit Unions.

4. Who can apply?

The Credit Union Fund is available to established Scottish Credit Unions who fully comply with all relevant FSA requirements.

5. What is the application process?

The application process is the same as for the Enterprise Fund and you can find out how to apply and download an application form and help notes at the link below:

- [Information and Guidance for Applicants](#)
- [Application Form](#)
- [Help Notes](#)

**Scottish Government
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