

GREEN
ENTERPRISE
Innovation for
a Circular
Economy

Guidance on Completing a Budget Proposal Application

2022

Innovation for a Circular Economy

Environmental Protection Agency Research Programme

1.0 Eligible Costs for Budget

Financial reporting is on the basis of the total costs of the project, so grant aid will be provided based on the full eligible costs.

Eligible costs are the costs defined as direct or indirect costs as detailed below. They shall fulfil the following conditions:

- Be actual,
- Relate to expenditure on the Green Enterprise project,
- Be reasonable and wholly necessary for the Green Enterprise project,
- Be incurred and paid during the duration of the Green Enterprise project (as set out in the grant agreement),
- Be incurred solely to advance the research project or if any single item shall benefit both the research project and other work then such costs shall be eligible only in the proportion that such costs bear to the proportionate benefit derived from them by the research project,
- Be determined in accordance with the normal accounting principles, based on historic costs and the usual internal rules of the Grantee, provided that they are regarded as being acceptable by the EPA,
- Be recorded in the Grantees accounts and be separately identifiable and traceable,
- Exclude any profit (e.g. staff costs must be charged at actual salary rates and not charge-out rates),
- Where the company/organisation is VAT registered, costs should be shown at the VAT exclusive cost.

2.0 Non Eligible Costs for Budget

Non-eligible costs are in particular the following:

- any interest, or return on capital employed,
- provisions for possible future losses or charges (including social costs),
- interest owed, provisions for doubtful debts,
- resources made available to a Grantee free of charge,
- unnecessary or ill-considered expenses,
- marketing, sales and distribution costs for products & services,
- entertainment or hospitality expenses except such reasonable expenses accepted as wholly and exclusively necessary for carrying out the work under the Agreement,
- company/organisation bonuses and dividends.

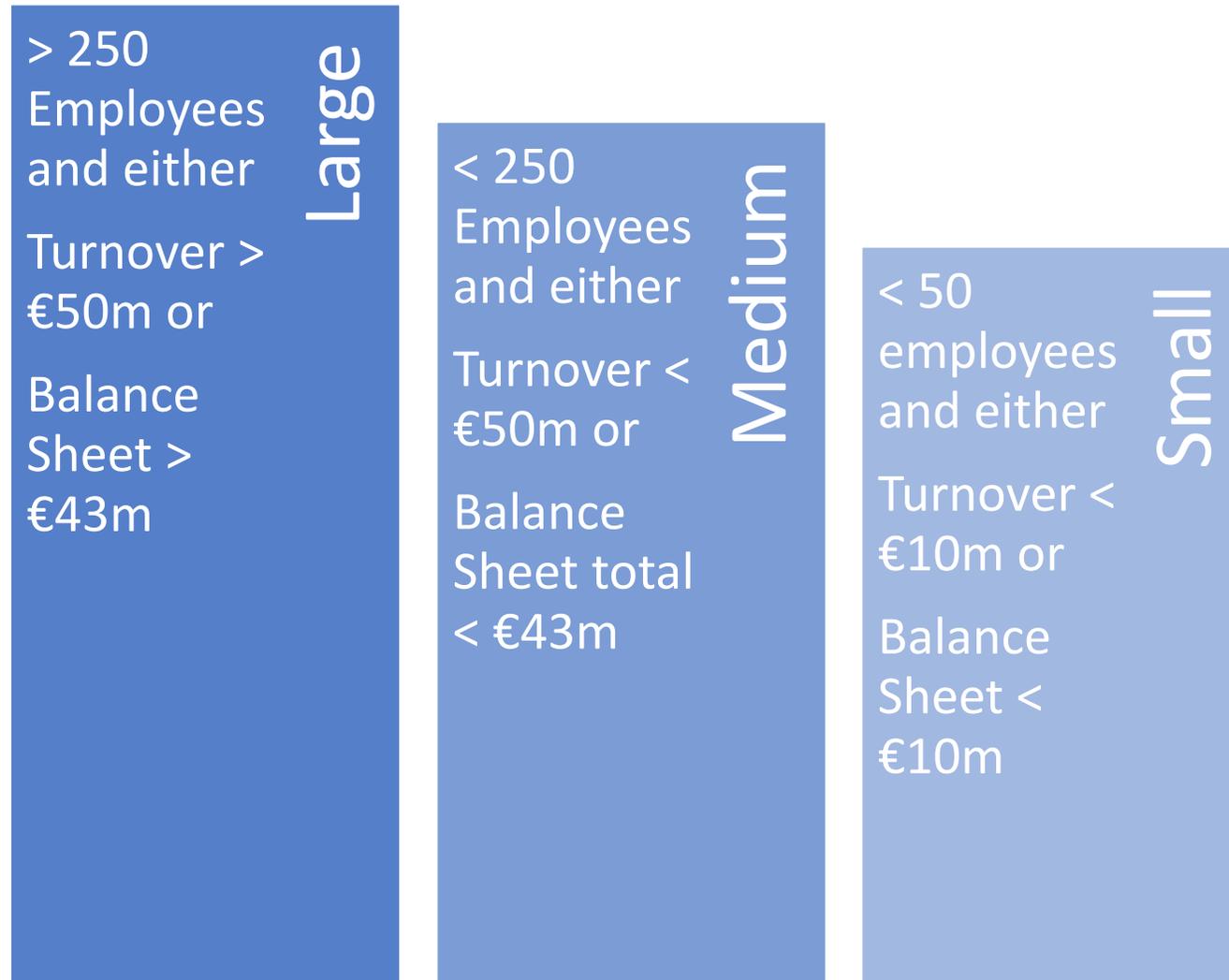
3.0 Participant Organisation- Max Funding Rates



- The size of the participant company/organisation has a bearing on the grant aid percentages.
- Public Benefit Entities (PBEs) can receive up to 95% in grant aid
- Small and Medium Enterprises (SMEs) can receive up to 75% in grant aid
- Non-SMEs can only receive up to 50% in grant aid.
- The participant company/organisation must be located in the Republic of Ireland
- In general funding is provided to reimburse participants for the cost of carrying out the project, subject to the maximum funding of €100k
- The level of funding will vary between 25% and 95% depending on the nature of the company/organisation undertaking the project and the category of expenditure (see Table opposite).

Cost Category / Max Funding Rate	PBE	SME	Non-SME
Staff costs (on an actual salary cost basis)	95%	75%	50%
Consumables	95%	75%	50%
External Assistance & Consultancy	95%	75%	50%
Travel	95%	75%	50%
Plant and Equipment	25%	25%	25%
Indirect costs (Overheads) – calculated as 30% of modified costs	95%	75%	50%

4.0 Definition of SME, Non-SME and PBE



4.0 SME, Non-SME and PBE- The Small Print

Small and Medium-sized Enterprises (SME) :

1. Small and medium-sized enterprises, hereinafter referred to as 'SMEs', are defined as enterprises which:

- have fewer than 250 employees, and have either, - an annual turnover not exceeding €50 million, or - an annual balance-sheet total not exceeding €43 million, and - conform to the criterion of independence as defined in paragraph 3

2. Where it is necessary to distinguish between small and medium-sized enterprises, the 'small enterprise' is defined as an enterprise which:

- has fewer than 50 employees and has either, - an annual turnover not exceeding €10 million, or - an annual balance-sheet total not exceeding €10 million, - conforms to the criterion of independence as defined in paragraph 3.

3. Independent enterprises are those which are not owned as to 25 % or more of the capital or the voting rights by one enterprise, or jointly by several enterprises, falling outside the definitions of an SME or a small enterprise, whichever may apply. This threshold may be exceeded in the following cases:

- if the enterprise is held by public investment corporations, venture capital companies or institutional investors, provided no control is exercised either individually or jointly,
- if the capital is spread in such a way that it is not possible to determine by whom it is held and if the enterprise declares that it can legitimately presume that it is not owned as to 25 % or more by one enterprise, or jointly by several enterprises, falling outside the definitions of an SME or a small enterprise, whichever may apply.

4. In calculating the thresholds referred to in paragraphs 1 and 2, it is therefore necessary to cumulate the relevant figures for the beneficiary enterprise and for all the enterprises that it directly or indirectly controls through possession of 25 % or more of the capital or of the voting rights.

7. The number of persons employed corresponds to the number of annual working units (AWU), that is to say, the number of full-time workers employed during one year with part-time and seasonal workers being fractions of AWU. The reference year to be considered is that of the last approved accounting period.

8. The turnover and balance-sheet total thresholds are those of the last approved 12-month accounting period. In the case of newly established enterprises whose accounts have not yet been approved, the thresholds to apply shall be derived from a reliable estimate made in the course of the financial year.

Non Small and Medium-sized Enterprises (Non-SME) :

1. Large companies, hereinafter referred to as 'Non-SMEs', are defined as enterprises which:

- have greater than 250 employees, and have either, - an annual turnover exceeding €50 million, or - an annual balance-sheet total exceeding €43 million,

Public Benefit Entities (PBE's) :

1. The FRS 100 Application of Financial Reporting Requirements provides a definition for a Public Benefit Entity (PBE) as follows. It is an "entity whose primary objective is to provide goods and services for the general public, community or social benefit and where any equity is provided with a view to supporting the entity's primary objectives rather than with a view to providing a financial return to equity providers, shareholders or members". The final decision if an applicant falls into this category falls entirely with the EPA and any adjudication made as to the status of an applicant will be final and non appealable. If an application for funding is made by an organisation as a PBE but is subsequently deemed to be non-qualifying by the EPA, if it is placed in the shortlist, an offer may be made based on the lower funding levels of 75% or 50% as appropriate.

5.0 Eligible Cost Categories for Budget

Staff Costs

- Actual and verifiable staff costs can be charged for all employees working directly on the project. This includes time incurred on Implementation, Monitoring, Reporting (direct administration time specific to Green Enterprise), Staff Training and Staff Publicity
- In all cases, the person-day costs are limited to the actual salary cost (charge-out rates are not eligible) including employers PRSI. This rate must be specified in the budget and must be verifiable (through appropriate payroll documentation).
- Timesheets are required for staff dedicating less than 100% of their working time to the Project.
- Staff working exclusively on the project and spending 100% of their time need not provide a timesheet however they must complete and sign a “time declaration” for each reporting period.
- In limited circumstances for qualifying SME owner-managers or self-employed individuals who are not remunerated through traditional salary methods the EPA may at its absolute discretion permit the use of an alternative mechanism based on flat rates of pay to recover the cost of their time input to the project. Participants who wish to be considered for the flat rate basis should submit their request in writing to the EPA as part of their application.
- Where applicants are uncertain at the time of submitting an application as to the exact identity of personnel involved in the project then rates may be used for categories of staff, where staff are paid on specified salary grades or scales. These rates must be verifiable and where an application is successful, must be adjusted to the actual rate of pay for each individual at the time of submitting a claim for reimbursement of expenditure.

5.0 Eligible Cost Categories for Budget

Consumables

- Consumable or material costs must be separately identifiable and wholly necessary for the project. Consumables usually relate to the purchase, fabrication, repair or use of any materials, goods or equipment and software which:
- Are not placed in the inventory or durable equipment of the participant
- Are not treated as capital expenditure in accordance with the accounting conventions and policies of the participant (i.e. Balance Sheet)
- Have a short life expectancy, certainly not greater than the duration of the project
- All consumables and material costs related to the project are deemed to be eligible
- **Off the shelf software and personal computing equipment (including laptops) costing less than €10,000 are considered to be consumable items and are fully reimbursable at the appropriate grant aid rate.**

5.0 Eligible Cost Categories for Budget Cont..

Travel

- It is not envisaged that there will be a significant travel element in any of the projects. Where it is incurred, it should be separately identifiable, limited to the actual cost and should be a specific requirement for the implementation of the Green Enterprise project:
- Where mileage is being claimed the purpose of the journey, the number of miles and the rate should be clearly stated. These rates should not exceed the current civil service or other Revenue approved rates and should be in agreement with normal policies of the company/organisation.
- The prior approval of the EPA is required for travel to any destination outside the EU. The request should be made via Smart Simple (<https://epa.smartsimple.ie>)

Promotion and publicity

- Promotion and publicity of the project is an important aspect of Green Enterprise and will also provide marketing opportunities for all companies involved:
- A budget should be allocated for publicity events to be undertaken by the company/organisation. This includes a budget for the production of a final report and a 2 page case study report at the end of the project. (EPA will bear the cost of printing and copy-editing).
- All publicity deliverables should be detailed in the application.

Training

- Costs of external training may include the relevant course fees or trainer costs incurred by the participant.

Overheads

- Indirect costs (overheads) are calculated at a rate of 30% of eligible modified costs. Modified costs are defined as all eligible costs excluding plant and equipment and external assistance.

5.0 Eligible Cost Categories for Budget Cont..

Plant and equipment

- Plant and equipment is considered to be an eligible cost, provided it is essential and purchased exclusively for the Green Enterprise project:
- The cost of plant and equipment should be included at the full VAT exclusive cost (where applicable).
- The grant aid for this category is a maximum of 25% of the cost of the plant/equipment.
- Please note that second-hand equipment is eligible for grant aid provided such equipment has not previously been the subject of any other sources of funding.
- All purchases must comply with National and European Public Procurement Guidelines. Evidence of this compliance must be retained by the participant for audit purposes. For further information please see <https://www.etenders.gov.ie/> Green Enterprise should not be viewed as a source of capital funding.

Other Costs

- Other costs are amounts that are project specific and do not fit into any of the categories above. Costs under this heading must adhere to the general eligibility requirements of the Programme:

5.0 Eligible Cost Categories for Budget Cont..

External Assistance

- Technical expertise may be needed to implement the project and may be budgeted for under the heading of External Assistance:
- Fees should be stated in days at the appropriate daily rate (this rate should not exceed €800 per/day or exceed 35% of the total cost of the overall project).
- External Assistance can also include the cost of consultancy fees, provided that such fees are not excessive. The purpose of the consultancy to be provided must be clearly stated and must be relevant to the project. It must also be external to the participant and not a continuous or periodic activity relating to the participant's usual operating costs.
- All such external assistance or consultancy arrangements, the costs of which are to be claimed as an eligible cost, must be awarded to the bid offering the best value for money (when comparing best price to quality ratio).
- All such external assistance or consultancy arrangements, the costs of which are to be claimed as an eligible cost, must be awarded to the bid offering the best value for money (when comparing best price to quality ratio, under conditions of transparency and equality).
- Any external assistance or consultancy arrangement must be offered to the best bid in compliance with National and European Public Procurement Guidelines.

6.0 Grant Negotiation Process

- During the grant negotiation process it is quite common for the EPA to raise queries in respect of your proposal in respect of both the technical and financial aspects of the project proposal.
- In regard to the financial aspects of the project the following are some of the areas that can give rise to a financial query or request for clarification:
 - You may be asked to clarify the legal status of your organisation so that it can be determined whether it meets the definition of an SME, Charity, Public Benefit Entity etc.
 - In some cases the ownership structure of your company may be queried as where 25% or more of an Irish company is owned by another larger company that doesn't meet the definition of an SME then the Irish company itself may not meet the definition of an SME
 - In some instances accountancy costs or fees have been included in the project budget. These costs are not eligible for funding.
 - Where equipment is included in the budgeted costs this will generally give rise to requests for detail of the nature of the equipment, whether this type of equipment is not already available to the project, if the equipment is wholly and exclusively necessary for the project and if there has been other funding sourced in respect of the equipment

6.0 Grant Negotiation Process

- In respect of staff costs, it is important that you complete the work package summary in the proposal document to allow an assessment of the person months allocated to the project and the resulting expected staff costs.
- Where external assistance is included in budget proposal please ensure that the daily amount claimed is below the maximum threshold and excludes Vat where you are able to reclaim vat.
- All costs should be exclusive of vat if you are registered for vat.
- Public procurement must be observed on publicly funded projects so you may be advised of the requirements over the life of the project where you have included costs such as External Assistance or Sub-contract costs.
- Applicants can sometimes confuse the definition of consumables and equipment- consumables can include items which are “equipment” in nature giving rise to requests for further information. Consumables generally have a useful life which is less than the duration of the project or will not have any value at the end of the project.
- The De Minimis declaration fails to disclose grant funding that is recorded in the financial statements of the applicant organisation.

7.0 Financial Governance

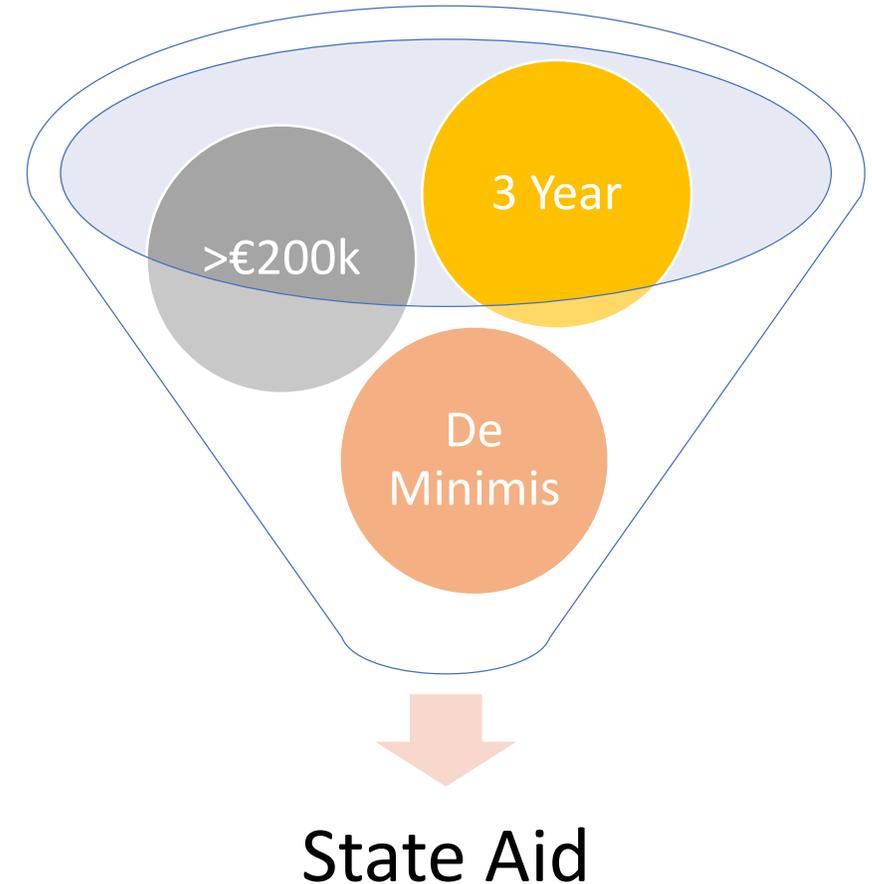
- Financial Reports (Cost Statements) should be submitted to the EPA during the lifetime of the project, via the EPA Grant Application & Project Management Portal (<https://epa.smartsimple.ie>).
- Typically these are 6 monthly reports to June and December to be submitted 28th January & 28th July.
- It is the responsibility of the principal investigator/programme manager to ensure that reports are submitted on time.
- An advance payment of 35% of the grant funding is awarded at the start of the project. The project becomes eligible for the next payment on a reimbursement basis on successful approval of funding which exceeds the 35% advance.
- Be mindful that projects are potentially subject to audit up to 3 years after the end of the project or the end of the EPA Research Programme (whichever is the longer period).

Typical Issues that prevent/delay payment

- **Submission documents missing relevant signatures.** The summary sheet needs to be signed by the project co-ordinator and the financial officer. Timesheets/time declarations need to be signed by both the project co-ordinator and the employee working on the project.
- **Payslips and Payroll Information not provided.** Please be mindful that payroll information will be requested over the life of the project to verify staff costs claimed. Where this information is not or cannot be provided it will result in the expenditure being deemed ineligible.
- **Expenditure in categories where there is no budget or for which no budget was requested-** results in overspends in cost categories that require budget reallocations which the EPA may or may not be able to approve.
- **Unable to provide adequate backup documentation** when required resulting in expenditure being disallowed

8.0 De Minimis Guidance

- Article 3 (1) of the De Minimis Regulation (EC) No 1998 /2006 states that where a Member State grants De Minimis aid to an enterprise it shall inform the enterprise about the De Minimis character of the aid and obtain from the enterprise concerned full information about other De Minimis aid received during the previous three years.
- The maximum amount of state funding under De Minimis rules a company can receive in any 3 year rolling period is €200,000.
- The applicant will be excluded from Green Enterprise funding if in any 3 year rolling period the amount of state funding exceeds €200,000. It is important to factor the Green Enterprise funding into the state aid calculation.
- Applicants should be mindful that all government or grant funding does not automatically fall within the scope of State Aid.
- Applicants need to document all the funding they have received in the relevant period and then request clarification from the relevant funder as to whether it constitutes State Aid or not.
- Where a funder confirms it does constitute State Aid or has been provided subject to De Minimis rules then it must be included in the relevant De Minimis declaration.



9.0 Budget Template Guidance

- Notes are provided on each sheet to guide you through completing the template. The Green Enterprise Guide for Applicants should be consulted when completing the template to determine the eligible staff, consumable, travel, training, publicity and promotion, external assistance, equipment and other costs for your project. Costs associated with monitoring progress and the achievement of project objectives/targets should be included under the appropriate heading i.e. staff costs, external assistance, equipment etc.
- Allowable Grant Aid is automatically calculated based on the company location and size selected in the tab called 'Data Sheet'.
- Finally, copies of this template must be printed and signed by the appropriate authorised person within the company prior to upload to smart simple.

10.0 Completing the Cover Sheet



The image shows a cover sheet for a GreenEnterprise budget proposal. At the top left, it features the Government of Ireland logo and the text 'Kialtas na Míreann Government of Ireland'. At the top right, it says 'Vairinn 5 - Mar 2021'. The main header includes the GreenEnterprise logo and the EPA logo. Below this is a teal bar with the text 'FINANCIAL DETAILS'. The central section is titled 'BUDGET PROPOSAL' and contains three instructions: 'Please enter the Project Title on the Data Sheet', 'Please enter the Organisation Name on the Data Sheet', and 'Please enter the Lead Applicant name on the Data Sheet'. At the bottom, it states 'Green Enterprise is funded by the Irish Government' and includes the EPA Research logo.

- Please enter the project title and the organisation name

11.0 Completing the Company Data sheet

  		
COMPANY DATA SHEET - BUDGET APPLICATION		
<p>Only complete the pale green cells as other parts auto-calculate. Please ensure that the appropriate option for Grant Aid Percentage & VAT status is selected.</p> <p>Please provide the following INFORMATION</p>		
Project Title:		
Company / Organisation Name:		
Project Co-ordinator's Name:		
Financial Controller's Name:		
Grant Aid Percentage*	Please select one option	This is the funding rate which applies to your organisation:
SME	<input type="checkbox"/>	
NON-SME	<input type="checkbox"/>	
Registered Charity / Public Benefit Entity	<input type="checkbox"/>	
<small>* Note there is a maximum grant aid percentage available which is subject to the maximum overall grant aid; there is also an overall limit based on DeMimimus. Please read the document entitled "Technical Description and Guide for Applicants". Grant Aid may be approved at amounts or percentages less than the maximum limit.</small>		
VAT status of your Company / Organisation:	Please select one option	
VAT is non-recoverable (all figures should be quoted as VAT inclusive)	<input type="checkbox"/>	
VAT is recoverable (all figures should be quoted as VAT exclusive)	<input type="checkbox"/>	
Comments (if any)		
Lead Applicant Signature:	Date	
<small>Green Enterprise is funded by the Irish Government</small> 		

- Project Title & Company name auto populate
- Please enter project co-ordinator name
- Please enter the financial Controller's name
- Select the funding rate applicable from SME, NON SME or Charity/Public Benefit Entity (PBE)
- Select VAT inclusive or exclusive based on your vat status.
- Please enter the Lead Applicant signature and date of application

12.0 Completing Staff Costs and Consumables





PROJECT COSTS - BUDGET APPLICATION

NOTE: Only complete the pale green cells as other parts auto-calculate.

STAFF COSTS

Enter project-funded personnel and their ANNO

Insert employee name	Insert Job Title or Position	Year 1		Year 2	
		Annual Gross Salary 1 Year 1	Annual Employers' PRSI 1 Year 1	Annual Gross Salary 1 Year 2	Annual Employers' PRSI 1 Year 2
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					

Please enter the Number of DAYS per employee per annum in the highlighted cells

Name	Job Title	Number of Days Year 1	Daily Rate (EUR) Year 1	Number of Days Year 2	Daily Rate (EUR) Year 2	Total (EUR)
1			0.00			-
2			0.00			-
3			0.00			-
4			0.00			-
5			0.00			-
6			0.00			-
7			0.00			-
8			0.00			-
9			0.00			-
10			0.00			-

CONSUMABLES

Description	Total (EUR)
1	
2	
3	
4	
5	
6	
7	
8	

- For staff costs, please enter the name of each employee, job title, yearly gross salary & yearly PRSI
- Moving on to table 2 enter the number of hours that each employee works for each year assigned to the project.
- Enter a short description for each item of consumables and the projected costs

13.0 Completing Publicity & Promotion, External Training & External Assistance

PUBLICITY & PROMOTION <small>Please ensure that Staff Costs are not included in this category</small>				
Type of Consultant	Consultant Task	Number of Days	Daily Rate (EUR)	Total (EUR)
1				-
2				-
3				-
4				-
Description for non-consultancy costs				Total (EUR)
1				
2				
3				
4				
				-
EXTERNAL TRAINING <small>Please ensure that Staff Costs are not included in this category</small>				
Type of Consultant	Consultant Task	Number of Days	Daily Rate (EUR)	Total (EUR)
1				-
2				-
3				-
4				-
Description for non-consultancy costs				Total (EUR)
1				
2				
3				
4				
				-
EXTERNAL ASSISTANCE <small>(including Consultancy and participation in Gr</small>				
Type of Consultant	Consultant Task	Number of Days	Daily Rate (EUR)	Total (EUR)
1				-
2				-
3				-
4				-
Description for non-consultancy costs				Total (EUR)
1				
2				
3				
4				
				-
EQUIPMENT				

- Please enter the details of Publicity & Promotion, External Training & External Assistance that is required for the project
- Please note that the daily rate for External assistance needs to be included and should not exceed €800.00 per day. The budget for external Assistance should not exceed 35% of the total budget for the project.

14.0 Completing Equipment & Other Costs

EQUIPMENT Note: Please insert 100% cost of equipment. The appropriate funding will be applied on the Summary sheet			
Description			Total (EUR)
1			
2			
3			
4			
5			
6			
7			
8			
Off the shelf software and personal computing equipment (including laptops) costing less than 10,000 are considered to be			-
OTHER COSTS			
Description			Total (EUR)
1			
2			
3			
4			
5			
6			
7			
8			
OVERHEADS (Recovered on Modified Costs)			
Cost Category	Cost (EUR)	Overhead (%)	Total (EUR)
Staff Costs	-	30%	-
Consumables	-	30%	-
Travel and Subsistence	-	30%	-
Promotion and Publicity	-	30%	-
Training	-	30%	-
Other Costs	-	30%	-

- Plant & Equipment is an eligible cost, provided it is essential and purchased exclusively for the Green Enterprise project
- Other costs are amounts that are project specific and do not fit into any of the other categories above. Costs under this heading must adhere to the general eligibility rules of the programme.
- The template auto completes the overheads based on the figures entered in each of the categories above.

15.0 Budget Proposal Summary

BUDGET PROPOSAL SUMMARY			
NOTE: Only complete the pale green cells as other parts auto-calculate.			
STATE AID			
Summary of State Aid received in previous 3 fiscal years	Please select the month your fiscal year ends:	Please select the year of application for funding:	Please insert the amount of State Aid received during these periods
	Feb	2022	
State aid received by your company / organisation in fiscal year:		Feb 2019 to Jan 2020	
State aid received by your company / organisation in fiscal year:		Feb 2020 to Jan 2021	
State aid received by your company / organisation in fiscal year:		Feb 2021 to Jan 2022	
State aid projected by your company / organisation in fiscal year:		Feb 2022 to Jan 2023	
SHARE OF COSTS			
Category	Full Cost (Euro)	Co-Applicant Share of Costs (Euro)	Maximum Grant Aid (Euro) *
Staff Costs	-	-	Select your Funding Rate in the Data Sheet!
Consumables	-	-	-
Travel and Subsistence	-	-	-
Publicity & Promotion	-	-	-
Training	-	-	-
External Assistance	-	-	-
Equipment	-	-	-
Other Costs	-	-	-
Overheads	-	-	-
TOTALS	-	-	-
SHARE OF COSTS (%)	-	-	-
The maximum Grant Aid available is restricted to 1100,000. Grant Aid approved may be less than this.			
Effective Grant Aid Rate applicable for relevant cost category below:			
Category	Full Cost	Co-Applicant Share of Costs	EPA Grant Aid rate
Equipment	-	-	-
All other cost categories	-	-	-
** Grant Aid rate to be applied as part of certification of financial cost statements			
Lead Applicant Signatures:			
	Name	Date	

- Much of the information here is auto-populated from the other parts of the template already completed.
- Please complete the section on State Aid Funding providing details (if any) of the funding the company has received in the previous 4 years.
- The budget summary is auto populated and shows the full costs and the grant aid funded by the EPA
- Please have the lead applicant and financial officer sign this sheet where indicated.