

Business Financial Planning Grant

Reference Document

BACKGROUND.

In light of the COVID-19 crisis there is an immediate need for companies to;

- **understand their immediate liquidity issues** – determine how to minimise costs and maximise sources of liquidity.
- **create a financial plan to secure the external finance they require** – SBCI/Bank, EI Investment and/or capital from other finance providers will all be required to fund companies through the next coming months.
- have a **framework to manage the finances of the business** – a coherent and well-structured plan will facilitate the monitoring and management of the financial position of the company.

The Business Financial Planning grant will provide a strategic intervention to companies to work with third party consultants to prepare a detailed financial and business plan with forecasts and assumptions.

The offer seeks to encourage companies to be proactive in developing a detailed financial plan that identifies funding needs and potential sources of funding.

This new offer will provide grant support to companies of up to €5,000 (up to 100% of expenditure) for an engagement with an approved external consultant.

This is a Time limited offer – final date for applications is 12 noon, 15th June 2021.

MAXIMUM FUNDING LEVELS.

The maximum grant available is €5,000 i.e. up to 100% grant on a maximum expenditure of €5,000 (maximum daily rate of up to €900/day).

The grant offer is exclusive of VAT. The company be charged VAT by the consultant undertaking the engagement. Any VAT paid can be recovered through normal channels.

ELIGIBLE COMPANIES.

The grant will be targeted at;

- all Enterprise Ireland (EI) Clients.

In addition, the grant will also be open to;

- Údarás na Gaeltachta Clients.
- IDA Clients.
- Domestically focused Non-EI Clients that employ 10 or more full time staff and are manufacturing and/or Internationally Traded Services.

Non-EI Clients should contact the Enterprise Ireland Business Response team (businessresponse@enterprise-ireland.com or Ph: 01-727 2088) to check their eligibility.

Companies will need a positive de Minimis balance to cover the approved grant amount (to be self-certified).

INELIGIBLE COMPANIES.

- Companies active in the fisheries sector or in the primary production of agricultural products.
- Companies operating in the coal and steel sector.

ELIGIBLE COSTS.

- The grant will be used to cover the daily fees of external consultants engaging with companies on the development of a financial and business plan.
- Consultancy daily rate of up to a maximum €900/day.
- Consultancy daily rate to be inclusive of travel & subsistence and all out of pocket expenses.
- Where a consultancy has more than one consultant engaged on the project, the aggregate number of days worked by all consultants on the project is counted.

INELIGIBLE COSTS.

- Any expenditure incurred prior to the date of receipt of application in Enterprise Ireland.
- Consultant expenses.
- Sales related expenses.
- Trade Fair participation costs.
- Any Internal costs of the company (e.g. Salaries & Overheads).

LEGAL BASIS (IRISH LEGISLATION).

In accordance with the industrial Development Act 1998 (As amended) Section 7.

EU STATE AID BASIS.

- Commission Regulation (EU) No 1407/2013 of December 2013, De Minimis Aid.

Where a Client does not have adequate De Minimis balance a 50% grant rate using SME Consultancy can be offered.

- General Block Exemption Regulation (GBER), Commission Regulation No.651/2014, Article 18. Aid for consultancy in favour of SMEs

HOW WILL THE GRANT BE USED?

The grant will enable companies understand their immediate liquidity needs as a result of COVID-19 crisis, create a financial plan to secure the external finance required for business continuity and have a framework to manage the finances of the business.

Companies will work with approved third-party consultants to develop a financial plan. The plan will seek to;

- establish the company's current position.
- examine the negative COVID-19 impacts on the business.
- establish where the company wants to be in 3 years time.
- select and prioritise initiatives that will mitigate risks and identify appropriate actions and the resources required (people, money, time).
- The plan will include 3 years projections (monthly P&L, B/S and cash-flow).
- The plan will also include a series of actions to be undertaken by the company to mitigate the effects of the current crisis on the company.

- The plan should enable management to identify and access the finance they require. All sources of liquidity available to companies should be explored (including DEASP, Revenue, Banks and other sources).

OUTPUT OVERVIEW.

The output of this engagement will include an **output report**, a set of **financial models** and a **completed FDS**.

Templates for these can be found on the Enterprise Ireland Web Page.

A template output report has been developed. The template details the specific outputs required from both the company and the consultant and has a checklist of the outputs required.

The outputs should include;

- A completed standard output report. Companies should not create their own report formats.
- Complete set of financial forecasts for 3 years (monthly Profit & Loss, Balance Sheet and Cash flow) and the assumptions behind them, building up from the product/service line. The plan is to be fully costed with key responsibilities assigned.
- Clarity around the funding gap and an exploration of the most appropriate sources of funding in the market to fill this gap (e.g. SBCI Covid Loan Scheme, Banks, DEASP, Revenue Commissioners etc).
- An exploration of the alternative options available to the company should the level of available funding be insufficient
- Standard monthly pack template to include actuals, forecast and variance analysis at product/service level to assist the company to monitor performance to the plan.
- Narrative on historical and current business position and future impact of COVID-19 on the business (e.g. key strategic issues, risk management, sectoral challenges etc.)
- Clear understanding between the consultant and the company of how progress against the plan is to be tracked and communicated among the company's management team (i.e. creation of regular reports and who will prepare them and review them).
- A completed Financial Data Sheet (FDS) model will be required for each engagement where appropriate.

APPROVED FINANCIAL CONSULTANTS DIRECTORY.

The financial plans produced as part of this engagement will be used to source external finance; it is vital that the quality of the plans produced is high to ensure the companies have the best chance of securing the finance they require.

In addition, for those Enterprise Ireland companies availing of this grant, the output will form the basis of any application they make for other Enterprise Ireland supports.

Enterprise Ireland has compiled a directory of consultants to work with companies on this grant and it is expected that companies will use these consultants.

Applications that do not include the name of an approved consultant will not be approved.

Inclusion on the approved consultant list

Companies may use a consultant that is not currently on the approved consultant list once the consultant has been approved.

To be included on the approved consultant list a detailed EI formatted Bio will be required that demonstrates how the consultant's expertise and experience meet the minimum criteria set out below.

The Growth Capital team in Enterprise Ireland will approve all additions to the approved consultant list.

The processing of applications seeking nominations from the approved directories will be given priority – applications that seek to use their own consultant will take longer to process.

Criteria for inclusion on approved Consultant list.

- Accountant with a recognised accounting professional qualification with >10 years post qualifying experience) and a current member of a professional accountancy body.
- Holds professional indemnity insurance.
- Has worked in an SME as a CFO/senior finance role or worked with SMEs in this capacity in the last 10 years.
- Has excellent, user friendly, financial modelling skills that can be customised to company requirements and enable scenario planning.
- Can provide evidence of at least 4 similar assignments undertaken with Irish SMEs involved in manufacturing or internationally traded services in the last 3 years.
- Has relevant sectoral knowledge and experience.
- Has sufficient full-time resources and the capacity to deliver promptly and professionally on the work programme.

APPLICATION PROCESS.

- Enterprise Ireland clients should discuss the suitability of the grant with your Development Advisor.
- Non-EI Clients should contact the Enterprise Ireland Business Response Team (businessresponse@enterprise-ireland.com). Ph: 01-727 2088.
- The relevant Enterprise Ireland Development Advisor will provide the names of 3 approved consultants based on sectoral experience and location for each engagement.
- Companies should choose which of the nominated consultants they wish to engage.
- Companies should contact the selected consultant directly and establish their availability and establish if there are any conflicts that could preclude them from undertaking the engagement.
- Once the consultant has been confirmed the company should inform their Development Advisor who will arrange a link to the application system to be sent to the company.
- The company completes the online application using the name of the agreed consultant and submits it to Enterprise Ireland.
- Applications that do not include the name of an approved consultant will not be approved.
- On approval, a Letter of Offer will be issued to the company. In addition, a request will be issued for confirmation of bank details for those companies for which Enterprise Ireland does not hold up to date banking details.
- The company engages with the consultant and completes the work programme.

CLAIMS PROCESS:

The commercial relationship is between the consultant and the company. The consultant will agree payment terms directly with the company.

Enterprise Ireland will pay the companies directly once a valid grant claim has been received and processed.

- Only one claim can be made per approval.
- Claim forms are available at (<https://www.enterprise-ireland.com/en/Process/Companies/>)
- Enterprise Ireland will pay the grant to the Company.

The following will be required for a valid grant claim

- Invoices from the consultant will be required for payment of grant by Enterprise Ireland and will be recorded as De Minimis Aid. The invoice should include the daily rate and number of days used on the engagement.
- A self-declaration from the company that the work has been completed and they are satisfied with the output.
- A self-declaration from the consultant that the work has been carried out in accordance with the agreed work package.

For **EI Clients:**

- A condition of payment is the submission of a completed financial and business plan to the Enterprise Ireland.
- The completed output report, financial models and completed FDS should be emailed to FIFR@enterprise-ireland.com. The company name, CESID and Project Number (details can be found in the Letter of Offer) should be included in the subject line of the email
- The outputs will be reviewed by the Enterprise Ireland Development Advisor and signed-off for completeness.

For **Non EI-Clients:**

- All companies will be set up on the CES and will be assigned a DA and DM to facilitate the processing and payment of the grant.
- A condition of payment is the submission of a completed financial and business plan to the Enterprise Ireland.
- The completed output report financial models and completed FDS should be emailed to FIFR@enterprise-ireland.com. The company name, CESID and Project Number (details can be found in the Letter of Offer) should be included in the subject line of the email.
- The outputs will be reviewed by the Enterprise Ireland Development Advisor and signed-off for completeness.