

How do Local Enterprise Offices help businesses financially?

Local Enterprise Offices (LEOs) can help to establish and develop new and existing enterprises provided that the enterprise is capable of becoming commercially viable.

There are also other criteria to be met and these are listed in the bullet points below.

The enterprise must:

- not employ more than 10 people;
- be established, registered, and operate within the area of the Local Enterprise Office;
- operate in the commercial field;
- show there is a market for the product or service;
- have the potential for growth in domestic or export markets;

And

- have potential for job creation without affecting existing local businesses.

What is a Feasibility Study Grant?

The aim of a Feasibility Study Grant is to help start-up companies or individual entrepreneurs with the cost of researching their proposed business or new business idea to see if it could be viable and sustainable. The study should help the promoter to reach firm conclusions about their business idea and give them the information they need to draw up a full business plan. Local Enterprise Offices will consider making feasibility study grants to applicants whose potential new business or service may be eligible to apply for further grant assistance from the LEO if the business goes ahead.

Who can apply for a Feasibility Study Grant?

Only businesses or individuals intending to explore the feasibility of a manufacturing or internationally traded service sector business may apply.

What does the Feasibility Study Grant cover?

Feasibility Study Grants are designed to assist the promoter with researching market demand for a product or service and to examine the sustainability of that product or service. The grant helps with innovation costs including specific consultancy requirements, hiring expertise from third-level colleges, private specialists, design, patent costs and prototype development.

Grant expenditure may be considered under the following headings:

- Consultancy Costs – to include design fees, architect fees and legal fees
- Technical Development/Prototype/Innovation – to include prototype development, innovative design, research costs and third-level college consultancy
- Salary/Own Labour Research – costs include own labour involved in carrying out the Feasibility Study. The maximum amount chargeable is €400 a week subject to the overall maximum not exceeding 20% of the overall grant drawdown.
- Miscellaneous Costs – include telephone costs, mileage costs at €0.26 per kilometre, subsistence and overnight costs, air travel, and so on. Costs in this category relate specifically to Feasibility Grants. The maximum amount for these costs should not exceed 20% of the overall grant level.

How do I apply for the grant?

If you want to apply for a Feasibility Study Grant, you need to contact your local LEO. They will assess your eligibility. When applying for this grant, you should show that:

- you have done enough preliminary research to suggest that a full feasibility study is worthwhile;

And

- There is a reasonable possibility that any business idea arising from the study would have real job creation potential.

Applications are considered on a case by case basis. Any individual or business who wishes to apply must submit a completed signed Feasibility Study Grant application form along with the following:

- a CV (for the main applicant),
- quotations for the key costs,
- 3 quotes for any item of expenditure over €5,000. (For any expenditure item costing less than €5,000, one verbal quote is required);

And

- the most recent set of certified accounts (in the case of existing businesses). Please make sure your application form is completed in full.

What happens when your application is received?

Your LEO will write to acknowledge your application, and an executive from the LEO will meet with you to discuss it. You may be asked to provide additional information. When the LEO receives all the information they need, your application will be evaluated at the next available meeting of the LEO's Evaluation and Approvals Committee. You will then be informed in writing of the decision.

Please note that your submission of an application or the official acknowledgement of your application is not an indication that the application is eligible or will be awarded grant aid. The final decision on grant assistance is with the Evaluation and Approvals Committee of the Local Enterprise Office.

For more information on financial supports available from the LEO including information on eligibility, please see www.localenterprise.ie

When can I access the grant funds?

If your application is approved, you can draw down your funding after you submit evidence of the expenditure. Any funding approved must be claimed within 12 months of date of approval. The maximum Feasibility Study Grant payable is 50%/60% of your eligible expenditure or €15,000 whichever is less.

Please note that the grant is 60% in the 'BMW' region (Border, Midlands, West) but 50% in all other regions.

To claim any financial assistance approved, you must submit the following:

- a signed acceptance of offer
- original invoices
- evidence of payment
- a written report on the feasibility study
- an auditor's Certificate (if required)
- a claim form a current valid tax clearance certificate
- any other documents as set out in the letter of offer

Please note that a current, valid tax clearance certificate is needed to claim a grant. Please also note that you cannot use your grant to pay for any expenditure incurred before you make the application.

What is 'De Minimis' aid?

Feasibility Study Grants are provided under the European Commission Regulation on 'De Minimis' aid. De Minimis aid is limited amounts of State aid – up to €200,000 in any three-year period to any one enterprise. De Minimis aid is regarded as too small to significantly affect trade or competition in the common market. The amounts of grants are regarded as falling outside the category of State aid which is banned by the EC Treaty and, therefore, they can be awarded without reference to the European Commission.

However, a Member State must track De Minimis aid and make sure that combined aid payments from all sources to one enterprise in any three-year period respect the €200,000 ceiling.

Therefore, you need to provide details of all other grant aid that has been awarded to you or your company within the past three years. Please note that a false declaration to show a figure under the threshold of €200,000 could later mean that you would have to pay back the grant aid with interest.