

Social Enterprise Social Investment Guidelines

Suffolk Community Foundation recognises the value and role that social enterprises can play in our society and is supportive of their development as they continue to bring innovative solutions to social problems, by combining a social mission with a sustainable business model.

As a funder, we are equally aware that financial investment for social enterprise, particularly around grant aid and financial loans, is under-developed and limited, although over time, we believe investment markets will respond as social enterprise demonstrates its effectiveness.

Against these circumstances, Suffolk Community Foundation has developed the following guidelines specifically to help social enterprise access the funding opportunities that exist through our investment programme.

What you need to do – please follow the steps:

Suffolk Community Foundation manages funds on behalf of individuals, companies, charitable trusts, national and local statutory bodies. However, only a small proportion of our funding is open to social enterprise.

We encourage you to visit our web site – www.suffolkcf.org.uk and study our [Hidden Needs](#) report to see the priorities that we are interested in funding.

Step 1 – Can you demonstrate that you are a social enterprise?

If you are considering applying for an investment grant, you will need to demonstrate through your governing documentation that you are operating as a social enterprise. Suffolk Community Foundation uses criteria developed by the Social Enterprise Mark Co to help establish the status of your organisation - www.socialenterprisemark.org.uk. Clearly, an organisation holding the Mark will meet the criteria. We will not penalise organisations that do not hold the Mark as long as they can demonstrate that they meet the following criteria;

Criteria	Rationale	Test/Evidence
Have social and/or environmental objectives	Transparency of purpose is a vital element of being a social enterprise	Constitutional documents ¹
Be an independent business	Independence and self-governance distinguishes businesses from the public sector and from projects within larger organisations	Constitutional documents Additional evidence required for externalisations from the public sector
Earn 50% or more of its income from trading	50% traded income is currently accepted as a way of distinguishing a business from a grant reliant organisation	Accounts in the public domain
A principal proportion (50%+) of any profit made by the business is dedicated to social and/or environmental purposes	Social enterprises are driven by social and environmental objectives rather than the maximising of profit for private gain	Constitutional documents and cross reference of accounts
On dissolution of the business, all residual assets are distributed for	As above – commitment to residual asset distribution	Constitutional documents

social and/or environmental purposes	demonstrates a commitment to social/environmental objectives	
Can demonstrate that social and/or environmental objectives are being achieved	Social enterprises exist to produce social and environmental benefit as well as a financially sustainable operation	A range of evidence can be provided including external sources

¹ The term “constitutional documents” within this table refers to memorandum and articles of association, rules, or governing documents that are in the public domain. *Criteria reproduced by kind permission of the Social Enterprise Mark Co.*

Step 2 – Can you provide supporting documentation?

Your application can only be processed if you are able to supply the following documentation with your completed application form;

- Governance documents
- A business plan (including income and expenditure forecasts)
- Management accounts and most recent annual accounts
- Details of service contracts or grants secured, existing loans and financial commitments.

Your social enterprise bank account must also require that all withdrawals by cheque need a minimum of two unrelated cheque signatories who do not reside at the same address.

If you are a newly formed organisation, with a limited track record, we would still expect documentation that demonstrates your social enterprise criteria together with financial forecasts and business plans.

Step 3 – Speak to our grants team.

If you can demonstrate you are a social enterprise and are thinking of applying for funding we urge you to discuss your financial requirements with our grants team first.

Our team will then be able to explain what funding is available and what will be required to support your application. They will also be able to go through your organisation’s service delivery and your funding requirements and confirm whether this meets the objectives of the funding that we manage. Grants in the range of £500 to £5,000 are on offer.

This stage is important. If you are not encouraged to put an application forward it is not because we do not value your work, but because we do not have funding that matches your requirement.

Organisations that are encouraged to submit an application will be given advice on how to complete the application form and the required supporting documentation.

What is eligible for funding?

The following table illustrates the themes that the Foundation primarily addresses:

THEMES:	Examples of issues the themes are addressing
Providing compassion in crisis	Homelessness Addiction rehabilitation Emergency furniture and food banks Domestic abuse
Improving health and wellbeing	Disability Mental health Encouraging healthy life choices

Supporting children and young people	Supporting families through difficult times Opportunities for marginalised young people
Delivering help and care at home	Older people in need Supporting carers Outreach services & community transport Tackling rural isolation
Creating thriving communities	Community safety and crime prevention Green communities Community development & infrastructure Capacity building for voluntary sector Broadening access to arts, sports & culture

What is not eligible for funding?

Suffolk Community Foundation has defined certain exclusions in its grant making for social enterprise. In practice there are likely to be further exceptions but discussion with our grants team should highlight any potential issue and avoid unnecessary disappointment.

Geographical limitations

The Foundation only makes grants for the benefit of people living or working in Suffolk. Where a percentage of the project is to benefit Suffolk, a grants panel may award a percentage of the amount requested appropriate to the overall benefit to Suffolk.

Sole traders

The grant programmes managed by the Foundation currently exclude sole traders.

Capital projects

Investment in capital assets will only be accepted where the asset (e.g. building, equipment) is already owned or is going to be owned by the social enterprise.

Retrospective funding

The Foundation does not make grants to projects that have already occurred or for goods or services that have already been ordered or purchased prior to a grant having been approved.

Organisations with significant unrestricted reserves

The Foundation does not make grants to an organisation that it considers to have significant unrestricted financial reserves (i.e., exceeding 12 months' running costs), unless the organisation provides a justifiable reason for maintaining high unrestricted reserves.

Organisations that have already received a grant from Suffolk Community Foundation

A social enterprise is only eligible for one grant from the Foundation in any 12 month period.

Organisations over five years old

Social enterprises should aim for sustainability therefore applications from organizations that have been trading for over five years old need to demonstrate that the grant is supporting either increased or new service delivery.