

Enterprise Ireland (E.I.) Innovation Voucher Scheme – Points to Note

- The Entrepreneurship Section (Bridget Noone) and Industrial Liaison Manager (Audrey Crosbie) in TR&I liaise with P.I.s and Industrial sponsors in order to form Industrial collaborations
- The Contracts Section (Esther Fortune) review, negotiate and sign service agreements between TCD and the Industrial Sponsor for the project
- The Innovation Voucher Scheme is a VATable non Research activity, therefore the VAT portion of the funding will need to be returned to Revenue and no VAT costs can be charged to the account as these costs are ineligible, see Appendix III
- Once the project is completed, the appropriate School Administrator should issue an appropriate VAT invoice to the Industrial Sponsor for the actual costs of the project in line with the budget detailed in the service agreement and in line with the eligible costs approved by E.I., see Appendix II
- The Industrial Sponsor should pay TCD for project costs up to €5K by way of the Innovation Voucher (which will be issued to them by E.I. prior to start of project) and any remainder plus the total VAT element should be paid via cheque/cash, see examples in Appendix III
- To claim payment of the Innovation Voucher, a financial claim must be submitted to Enterprise Ireland, on the appropriate form as provided by E.I. see Appendix IV, with the Voucher and with a copy of the invoice to the Sponsor, noting that the invoice should match the claim form exactly otherwise payment may be withheld by E.I.
- No College overheads should be charged to these accounts as Enterprise Ireland will pay a 30% overhead on all Innovation Voucher projects through the yearly OIP payment to TCD
- These projects are auditable by Enterprise Ireland for 7 years after the end of the project or from last receipt of payment from E.I.
- Vouchers are only valid for 12 months, therefore it is important that all processes are moved along quickly as the Voucher can be issued before the start date of the project
- For instances where a P.I. is claiming for his time on the project, timesheets must be completed and kept on the appropriate file. The actual cost of the time should be confirmed with Staff Office and a journal processed charging the account with the cost and crediting the School/Discipline F90 account, this is a standard E.I. audit requirement

Attached

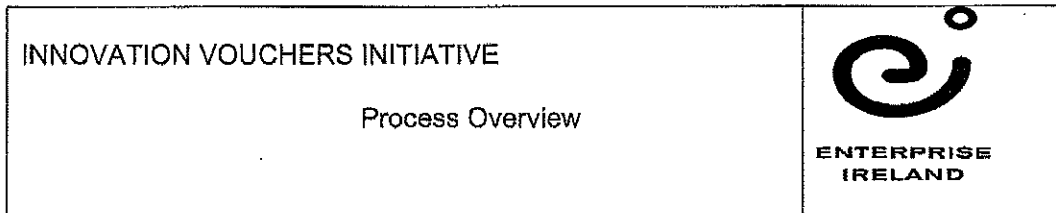
Appendix I - E.I. Process Overview

Appendix II - E.I. Eligible and ineligible costs

Appendix III – E.I. VAT procedure

Appendix IV – E.I. Claim form

Appendix I



The Innovation Voucher Initiative was introduced by Enterprise Ireland in April 2007. The objective of the Initiative is to drive an on-going innovation cultural shift within small enterprise by promoting and encouraging a transfer of knowledge between Ireland's public knowledge providers and the small business community and creating greater synergies between the two. Under the Initiative vouchers worth €5,000 are allocated on a semi-competitive basis to small businesses whose proposals, to work with public knowledge providers on specific innovation questions, meet basic criteria.

Process


Successful applicants to the Innovation Voucher Initiative will be issued with an Innovation Voucher worth €5,000. The Voucher will include an outline of the knowledge question as submitted by the company.

The company will then engage with a Knowledge Provider of their choice and reach agreement on the specific work programme to be undertaken to address the knowledge question and on the cost of the service.

When the work programme has been completed, the Knowledge Provider will invoice the company for the cost of the service, including VAT charge as appropriate. The company will then give the Knowledge Provider the Innovation Voucher plus any extra amount as per their agreement on the cost of the service.

The Knowledge Provider will then submit the voucher, and a short report on the activity undertaken, to Enterprise Ireland to claim reimbursement of the €5,000 subsidy.

Enterprise Ireland will reserve the right to perform spot checks on projects undertaken.

<p>INNOVATION VOUCHERS INITIATIVE</p> <p>Eligible and ineligible costs</p>	 ENTERPRISE IRELAND
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Innovation Vouchers: Eligible Costs

- All researchers employed by a Knowledge Provider may receive payment for the work undertaken in an Innovation Voucher project provided such payments are within the terms and conditions of the individual's contract with the Knowledge Provider.
- Salary costs for work undertaken by students recruited by the Knowledge Providers on short term contracts for the purposes of the Innovation Voucher project.
- Small items of equipment and materials may be purchased as required and as agreed with the partner company..
- Travel as required and agreed with the partner company.
- Other: A Knowledge Provider may incur exceptional expenditure, (e.g. external testing, specialist constancy) where such expenditure has been approved in **advance** by Enterprise Ireland.

Innovation Vouchers: Ineligible Costs

- Sub-contracting of entire project activity to private sector Knowledge Providers.
- The VAT charged on Innovation Voucher project activities must be paid separately by the company and may not be reclaimed from Enterprise Ireland.
- Overhead charges associated with the project. A 30% overhead will be refunded to the knowledge Provider by Enterprise Ireland in line with standard procedures.
- Project costs incurred prior to the Issue Date of the Voucher.

Note 1: If the project costs incurred by the Knowledge Provider exceed the value of the Voucher such excess shall be borne by the partner company.

Note 2: Vouchers may be redeemed by Knowledge Providers at their issued value or approved eligible expenditure, whichever is the lesser, in respect of work undertaken on Innovation Voucher projects.

Note 3: Vouchers are valid for 12 months; the Knowledge Provider must ensure the Voucher is returned to Enterprise Ireland within the 12 month period.

Appendix III

Dear Knowledge Provider,

I am contacting you in relation to the Innovation Voucher Initiative and in particular:-

1. Enterprise Ireland payment of Knowledge Provider **Overheads**
2. Use of the Voucher in relation to the payment of **VAT**.

Enterprise Ireland is pleased to announce that the all eligible payments made in respect of the Innovation Voucher Initiative will be included in the annual 30% overhead payments to the participating Knowledge providers. Each redeemed Voucher will therefore attract a further potential payment of €1,500 subject to normal overhead calculations.

Enterprise Ireland has reviewed the operation of the Voucher initiative and has concluded that the Innovation Voucher must now be **exclusive of VAT**. Where the Knowledge Provider charges VAT on services provided to the company the VAT element must be paid separately to the Voucher.

Illustrative VAT examples:-

1. Invoice in excess of €5,000

Invoice

Amount invoiced for project activity	€5,000.00
VAT Amount	€1,050.00
Total Balance Due	€6,050.00

Suggested Company Payment

Enterprise Ireland Voucher	€5,000.00
Company Cheque	€1,050.00
Total Paid to Knowledge Provider	€6,050.00

2. Invoice equal to or less than €5,000

Invoice

Amount invoiced for project activity	€4,132.23
VAT Amount	€867.77
Total Balance Due	€5,000

Suggested Company Payment

Enterprise Ireland Voucher	€4,132.23
Company Cheque	€867.77
Total Paid to Knowledge Provider	€5,000

Clearly, in the second example, the company is not making full use of the Voucher and it is likely that most companies will now follow the first example.

The new procedure should be applied with immediate effect for all new Innovation Voucher projects. A company may use the Voucher to cover VAT charges only where a pre-existing agreement is in place.


Please don't hesitate to contact me should you require clarification or further information.

Kind Regards,

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Pat O'Brien
Research and Technology Programmes
Ph. 808 2766

Appendix IV

INNOVATION VOUCHERS INITIATIVE Voucher Reimbursement Claim Form	 ENTERPRISE IRELAND
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The Knowledge Provider should complete and return this form to claim the reimbursement of an Innovation Voucher from Enterprise Ireland.

1. Administration Details

Voucher Number:	
Voucher Issue Date:	
Company:	
College / Institution:	

2. Summary of Project Activity

Project Start Date	
Project Duration	
College Contact (for the project)	
Department	
Please provide a brief summary of the project activity undertaken by the Knowledge Provider, use separate sheet(s) if necessary:	

3. Summary of Project Related Expenditure

Pay	Consumable	Travel (Domestic)	Travel (Foreign)	Other (Non pay)	Total

In addition to the completed form, please return the following items to Enterprise Ireland:-

1. The Innovation Voucher presented to the college by the partner company
2. A copy of the invoice issued to the company in respect of the project activity.

Signed for Finance Office	
Date	

Glasnevin Dublin 9. Telephone 01.8082000 Fax 01.8370172