

## Enterprise Ireland (E.I.) Innovation Voucher Process

SME apply to E.I. Innovation Voucher Scheme



E.I. approve SME for funding and issue Voucher to SME



SME contacts TCD via Entrepreneurship & Technology Transfer Sections, TR&I- for match to project



TR&I match up SME's project to relevant TCD P.I. / Academic and assists with developing a project outline and plan



TR&I Contracts Section review and issue standard Service Agreement between TCD and SME



Contracts Section requests further information and relevant signatures from P.I.



Service Agreement signed by authorised signatory of TCD



Contracts Section complete sign-off sheet and pass relevant documentation, copy of Service Agreement etc to the relevant Administrator identified by the Head of School



Administrator liaises with Treasurer's Office to set-up account (One main School Account for E.I. Innovation Voucher Scheme) and Administrator ensures eligible costs only are processed through account



Project must be completed before Voucher expiry date (Voucher valid for 12 months). Administrator issues appropriate VAT invoice to SME, detailing actual costs processed through financial system and ensuring that costs match budget agreed as per Service Agreement



Administrator blocks further expenditure by P.I. on this project



SME pays invoice by way of €5K voucher plus cash/cheque for total VAT element as per Service Agreement



Administrator ensures that VAT is detailed correctly to ensure correct VAT element returned to Revenue Commissioners and not lodged to account



Administrator completes E.I. claim form and sends to E.I. along with voucher and copy of invoice issued to SME, ensuring that claim form matches the invoice issued



E.I. approve claim form and Administrator receives payment of €5K and lodges to appropriate account



Administrator prepares financial reconciliation of School E.I. Innovation Voucher account



All financial documentation is kept on file (in both Treasurer's Office and School) for possible E.I. audit



TR&I follow up with P.I. and SME regarding outcome of project and any possible further collaboration

## 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

<p>INNOVATION VOUCHERS INITIATIVE</p> <p>Process Overview</p>	 <p>ENTERPRISE IRELAND</p>
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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.

Appendix II

<p><b>INNOVATION VOUCHERS INITIATIVE</b></p> <p><b>Eligible and ineligible costs</b></p>	 <b>ENTERPRISE IRELAND</b>
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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 consultancy) 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,

Kind Regards,

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



## Non-Research Contracts

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The Contracts Section does not review non-research contracts i.e. contracts which are categorised as service, consultancy or education. However the Contracts Section does review and approve for signature Enterprise Ireland Innovation Vouchers.

### Enterprise Ireland Innovation Vouchers

Standard Procedures for EI IV Agreement Review (following approval of the project by either Audrey Crosbie or another member of Technology Transfer Office):

- The Contracts Section or Technology Transfer Office will provide TCD's most up to date EI IV agreement to be entered into between TCD and the Company;
- The P.I. should complete all necessary sections of the template agreement and return to the Contracts Section for review;
- Once received and if all is in order, the P.I. forwards the agreement to the Company for their review and insertion of relevant information;
- If the Company have no changes or comments and once the final version is approved by the Contracts Section, the Company will be requested to print TWO copies of the contract, sign both copies and return to the P.I.;
- Both copies should then be signed by the P.I. and Head of School;
- The signed copies should be forwarded to the Contracts Section where they will be signed by the Contracts Manager on behalf of TCD, a fully executed copy will be returned to the Company and one kept on file in the Contracts Section.

Some other points to note:

- The Contracts Manager emailed all Heads of School (June'08) informing them of the administrative issues regarding the scheme. All Schools were requested to appoint a School representative to manage the scheme; you will need to contact your Head of School to ascertain who is the appointed representative managing your School's Innovation Voucher account.
- As these schemes are not set up as research accounts, each School has one general ledger account set up to house all EI Innovation Vouchers.

If you wish to apply with a company for the new 50/50 fast track scheme please contact the Contracts Section directly. An appropriate template will need to be drafted.

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Last updated 28 June 2010 by [innovation.centre@tcd.ie](mailto:innovation.centre@tcd.ie) (Email).