



SCOTTISH EXECUTIVE

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European Structural Funds

# REGISTRATION OF ORGANISATIONS

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## REGISTRATION OF ORGANISATIONS

### Introduction

1. Before accepting applications for support, organisations must first establish whether they are eligible to apply for funds. Eligibility is established via the registration process.
2. Applicant Organisations are responsible for all aspects associated with implementation, monitoring and reporting on projects. This includes application, acceptance of grant, project implementation including cash-flow management, submission of claims, monitoring and reporting progress, monitoring and verification visits and the retention of project documentation for the prescribed period. This includes records confirming that any procurement complied with the Regulations and maintaining a full audit trail vouching expenditure incurred and defrayed.
3. Such responsibilities are onerous. Organisations therefore require significant and sufficient administrative and financial capacity.

### Eligible Applicant Organisations

4. There are three main categories of eligible applicant organisations as follows:
  - **Public Sector** - This group includes Central Government and Non-Departmental Public Bodies; local authorities and related agencies (e.g., local initiatives); the Enterprise Networks; visitScotland; Further and Higher Education Institutions; Communities Scotland and related agencies; Forest Enterprise.
  - **Voluntary or Charitable Organisations** – Registered/recognised charities, trusts, co-operatives and “not for profit” organisations: (the Charities Act and the Industrial and Provident Societies Act are relevant here). Organisations which directly or indirectly receive over 50% of core funding (i.e., excluding European Funds) from the public sector, or from levies raised by Industrial Training Organisations for training purposes.
  - **Joint Ventures (Public/Private Partnerships)** - Joint ventures are eligible to apply directly for support where public organisations have more than a 50% share. Where shares are equal, provided the public sector has a veto and assets revert to the public sector if the venture is wound up, the joint venture is eligible.
5. The following are not eligible:
  - **Private Sector** - There is no convenient definition of private sector. Essentially, however, this may be taken to be organisations established and operating for profit where these profits accrue to shareholders, partners or sole traders. This includes companies acting in the public interest (e.g., privatised former public utilities, FirstScotrail, Network Rail).

- **Voluntary or Charitable Organisations** - While these will principally be eligible to apply directly for funds, careful consideration must be given to the nature and capacity of organisations to carry out projects. In certain circumstances, organisations may require a 'sponsor' to vouch for the applicant, accept contingent liability for the project and, crucially, the grant and ensure proper implementation, reporting and accounting.

## **Eligibility Assessment**

6. To assist this process all organisations must provide to the IAB:
  - A copy of Memorandum and Articles for the organisation.
  - List of Board Members.
  - Details of the organisational management structure.
  - A copy of the most recent annual accounts. If these are more than 6 months old, or if there are no audited, annual or endorsed accounts, unaudited or management accounts for the subsequent period may be required.
  - A copy of the business plan, or similar.
7. It is important to look carefully at the Memorandum and Articles of organisations new to European Structural Funds. There must be a clear purpose there for the organisation to undertake economic and social development activities.
8. It is also important to consider an organisation's capacity to fund projects and manage and account for them properly throughout the auditable life of the project.
9. Once in place, assets and responsibility are on occasions transferred to trusts or companies with charitable status. While this is acceptable in principle, it can give rise to difficulties and certainly invites further detailed work. It is important therefore that organisations are clear, and committed, on how they intend running projects.

## **Exemptions**

10. All organisations must register. However, the following types of organisations are only required to submit the registration form and not any additional information:
  - Scottish Executive
  - Other Government Departments
  - IDBs
  - Local Authorities
  - Enterprise Networks
  - NGOs / NDPBs
  - Colleges

If in doubt, the Managing Authority in the Scottish Executive should be consulted.

## Organisation Type

11. Scottish Executive monitoring of projects includes the 'legal status' of successful organisations. In order to categorise organisations once, and therefore consistently, this assessment should be made at registration stage.

The table below sets out the **Organisation Types**.

<b>Organisation Type</b>	<b>Covering</b>
Further Education	<ul style="list-style-type: none"> <li>FE Colleges</li> </ul>
Higher Education	<ul style="list-style-type: none"> <li>Universities</li> </ul>
SE/HIE Network	<ul style="list-style-type: none"> <li>Scottish Enterprise</li> <li>Highlands &amp; Islands Enterprise</li> <li>Local Enterprise Companies.</li> </ul>
Local Authority	<ul style="list-style-type: none"> <li>Councils</li> </ul>
Local Economic Bodies	<ul style="list-style-type: none"> <li>Local economic development companies,</li> <li>enterprise trusts,</li> <li>Chambers of Commerce</li> <li>Other local economic initiatives.</li> </ul>
Tourist Organisations	<ul style="list-style-type: none"> <li>VisitScotland</li> <li>Other national/local associated bodies.</li> </ul>
Voluntary Sector	<ul style="list-style-type: none"> <li>Voluntary and charitable organisations that do not fall under any other type.</li> </ul>
Central Government Departments/Agencies	Including <ul style="list-style-type: none"> <li>SEPA</li> <li>SNH</li> <li>Forest Enterprise</li> </ul>
Communities Scotland Network	Including <ul style="list-style-type: none"> <li>Housing associations</li> <li>Housing co-ops</li> <li>Other associated bodies.</li> </ul>
Sector Skills Councils	<ul style="list-style-type: none"> <li>Previously known as National Training Organisations.</li> </ul>
Other	<ul style="list-style-type: none"> <li>Organisation that do not fall under any other type.</li> </ul>