

## **SCOTTISH CREDIT UNION ASSISTANCE FUND**

### **GUIDANCE**

#### **Purpose**

1. The Scottish Executive is making available a Scottish Credit Union Assistance Fund of £100,000 pa for 2006-07 and 2007-08. This Fund provides small grants to any Scottish Credit Union for expenses outwith the scope of the Scottish Credit Union SGEI approval scheme, to build Credit Unions' capacity or promote compliance with regulatory requirements.
2. The Scottish Credit Union Assistance Fund operates within the European Commission (EC) state aid de minimis limits. Only Credit Unions that have received, or will receive, less than 100,000 euros of public funding over a 3 year rolling period may apply.

#### **Eligibility**

3. Credit Unions applying to the Scottish Credit Union Assistance Fund must be established Scottish Credit Unions. The Fund will not make grants to, or for, study groups, feasibility studies, Credit Union networks or trade associations.
4. Credit Unions need not currently be complying with all relevant Financial Services Authority (FSA) requirements. In that case, however, support from the Fund will only be available for measures to enable the Credit Union to comply fully with FSA requirements and conditions.

#### **Awards from the Scottish Credit Union Assistance Fund**

5. Applications should be made on the form attached at Annex A.
6. An eligible Credit Union may receive one or more awards from the Fund up to a total of £10,000. A separate application will be required for each award.
7. Applications to the Fund may be made at any time during the financial years 2006-07 and 2007-08, for payment in full by 31 March 2008.
8. Awards from the Fund will be made on a rolling basis. The Scottish Executive will normally reach a decision on an application within 2 months of receiving it. Awards will be paid in a single payment, one per successful application.

#### **Purpose of awards from the Scottish Credit Union Assistance Fund and eligible costs**

9. The Fund may be used for:
  - 9.1 Capacity building or capital expenses such as premises, refurbishment, IT equipment and upgrades, marketing, furniture and equipment, staff costs or improvements in services eg opening a collection point.

9.2 Development work such as volunteer and staff training, member surveys, work in schools or consultancy support for business planning.

9.3 Support specifically to enable the Credit Union to comply with FSA requirements and conditions. This may include Credit Unions receiving funding to purchase consultancy support from a reputable source.

10. Awards will not be made from the Fund for routine compliance work such as providing audited accounts, nor for bad debt provision, boosting a Credit Union's reserves or paying a dividend to members.

11. Credit Unions applying to the Fund will be required to set out briefly the purpose of the funding requested and the results anticipated. These may include an increase in membership, additional services to members, new activities or increased volunteer and staff skills. This is not an exhaustive, nor a prescriptive list.

### **Reporting back**

12. Credit Unions in receipt of funding will be required to provide a short report for the Scottish Executive on the use of the award and on whether the anticipated results have been achieved. The report will be required within 6 months of payment of the award. The report will also need to confirm that the EC State Aid de minimis level for public funding has not been breached ie through receipt of public funding from other sources (excluding however funding received through the Scottish Credit Union SGEI approval scheme, or any other specific approval scheme such as the UK Government's Growth Fund).

### **Support**

13. Credit Unions considering applying to the Scottish Credit Union Assistance Fund may seek support from their Trade Association or development agency in completing the application form.

14. Support and guidance for applicants is available from the Scottish Executive, Social Inclusion Division, Development Department, Victoria Quay, Edinburgh, EH6 6QQ. Tel: 0131 244 0064.

15. Further copies of this guidance and the application form at Annex A are available from the Executive – at the address above. The guidance and application form can also be found on the Scottish Executive's website at <http://www.scotland.gov.uk/Topics/People/Social-Inclusion/17413/CUAF>

**Social Inclusion Division**  
**Scottish Executive**  
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