



Scottish Borders LEADER

Developing Enterprising Communities

How the LEADER grant is paid

LEADER grant payments are made retrospectively. This means that your project must incur the expenditure and prove that the costs have been paid through the bank. The payment of LEADER claims is also linked to agreed project milestones (see below). Once a milestone has been achieved a claim for the associated costs can be submitted along with evidence of paid invoices, receipts, payroll documentation and bank statements. Your claim will be checked for eligibility and adjusted if necessary and the approved percentage of eligible costs will then be paid.

As LEADER 2014-2020 does not provide funding in advance, your project must have match funding or private resources to start the project. At the end of your project the final 10% of the grant will be retained until a final monitoring visit has taken place and all outstanding issues are resolved. This means that your organisation must have resources in place to bridge this gap. You may be able to enter into a loan agreement for interim finance but the cost of this financial arrangement will not be an eligible expense for LEADER support.

LEADER is a 'gap funder' which means that if the project has underspent by the end, LEADER will pay the difference between the total eligible project costs and what the total match funders have contributed. This ensures no 'profit' is made from LEADER funding and emphasises the importance of proper budgeting.

Milestones

During this LEADER programme the payment of claims will be dependent on the achievement of milestones. For each milestone there must be a budget forecast for all the costs associated with achieving the milestone which will form the grant claim amount. Milestones should be SMART i.e. Sustainable, Measurable, Achievable, Relevant and Time related. Support to develop these will be provided by the LEADER Programme staff as part of the application process.

General Conditions:

1. All awards will be conditional on the applicant securing all relevant statutory consents and confirmation of partnership funding.
2. Work must not commence before acceptance of the written agreement of the award offer and confirmation of a start date by LEADER staff.
3. Awards are not available for work already started or completed.
4. Payment of grants is retrospective on production of original invoices, proof of payment and a completed grant claim and progress report form.

Funding Restrictions:

1. Projects requesting a LEADER grant of less than £5,000 will not be funded.

Scottish Borders LEADER Programme
c/o Economic Development
Scottish Borders Council, Council HQ
Newtown St Boswells TD6 0SA

t: 01835 826661
f: 01835 825158
scotbordersleader@scotborders.gov.uk
www.scottishbordersleader.co.uk



Scottish Borders Local Action Group is part-financed by the Scottish Government and the European Community LEADER 2014-2020 Programme



Scottish Borders LEADER

Developing Enterprising Communities

2. Projects will have to meet eligibility criteria in order to be able to claim support under LEADER. Eligibility criteria can be found on the relevant Information Sheets.
3. Projects which generate income, for example from entrance fees, sales etc. are acceptable for LEADER support, provided that any income is held by the community and either recycled back into the community through other projects, upkeep of community assets, or used to sustain the project in its longer lifetime.
4. State aid rules must be taken into consideration and should be discussed with the LEADER team at the time of application development.
5. Procurement rules need also to be taken into consideration and discussed with the LEADER team when applying.#
6. Existing running costs of the organisation are not eligible for support.

Ineligible Costs:

Financial and Other Charges and Legal Expenses:

- accounting costs, preparation etc. of annual accounts, year-end auditing unless a condition of the grant agreement
- bank charges on accounts
- costs of guarantees provided by a bank or other financial institution
- financial charges – e.g. charges for paying by credit card NOT standard booking fees
- debit interest, charges for financial transactions, foreign exchange commissions and losses, and other purely financial expenses
- loan charges – the nature and amounts of any loan charges included in the overall project costs should be brought to the attention of the Scottish Government
- service charges – arising on leases and hire purchase arrangements
- costs resulting from the deferral of payments to creditors
- costs involved in winding up a company or organisation
- bad debts
- fines, financial penalties and expenses of litigation.

NB Some of these costs may be eligible if they are directly linked to the operation and are necessary for its preparation or implementation or, in the case of accounting or audit costs, if they relate to requirements by the Scottish Government and must be agreed with the Scottish Government prior to being claimed.

Staff Costs:

- statutory maternity, paternity, adoption or sick pay
- payments for unfunded pensions
- redundancy payments

Scottish Borders LEADER Programme
c/o Economic Development
Scottish Borders Council, Council HQ
Newtown St Boswells TD6 0SA

t: 01835 826661
f: 01835 825158
scotbordersleader@scotborders.gov.uk
www.scottishbordersleader.co.uk



Scottish Borders Local Action Group is part-financed by the Scottish Government and the European Community LEADER 2014-2020 Programme



Scottish Borders LEADER

Developing Enterprising Communities

- bonus or commission payments.

Other Ineligible Costs:

- expenditure invoiced or defrayed outwith the eligible project period stated in the Offer of Grant Letter
- expenditure committed to or incurred before the eligible expenditure date contained in the offer of grant letter (e.g. contracts signed, purchase orders raised, payments made, invoices or other commitment by the applicant to pay for something whether goods, works or services)
- payments not supported by invoices and/or documents proving expenditure
- recoverable VAT
- in kind costs
- improvements to buildings as a requirement of changes to legislation e.g. Disability Discrimination Act
- any actions already being funded by European Structural Funds under other Programmes or European Union-funded initiatives
- alcohol
- hire purchase, extended credit agreements and finance leases for capital purchases.

(Version 1 – 15/01/16)

Scottish Borders LEADER Programme
c/o Economic Development
Scottish Borders Council, Council HQ
Newtown St Boswells TD6 0SA

t: 01835 826661
f: 01835 825158
scotbordersleader@scotborders.gov.uk
www.scottishbordersleader.co.uk



Scottish Borders Local Action Group is part-financed by the Scottish Government and the European Community LEADER 2014-2020 Programme