

# Guidance for Social Enterprises

## Governance

To be eligible for grants, your social enterprise must meet all Norfolk Community Foundation (NCF) criteria, which includes the requirement for there to be three unconnected Directors running the company.

To guard against any undue influence/control resting with one person, NCF will only fund CICs and other social enterprises where the Articles of Association and Companies House entry (Persons with Significant Control section) demonstrate that all Directors have equal powers in running the company. The most obvious way of meeting this expectation is to use the statement: ***“The company knows or has reasonable cause to believe that there is no registerable person or registerable relevant legal entity in relation to the company.”***

We recognise there are different types of social enterprise but expect your company to be Limited by Guarantee. We wouldn't normally support a company Limited by Shares unless the share distribution is to the wider community.

Your governance documents should demonstrate:

- clear social purpose
- the company is non-profit distributing
- the required minimum of three directors and complies with PSC criteria above
- there is an 'asset lock' or similar clause to ensure that on dissolution funds or assets can only be transferred to another asset locked body with similarly aligned objects

## Trading

We expect your social enterprise to have a plan or working towards a model for generating income which could include trading and contracts. We will request supporting information which explains your services/activities, the market in which your company operates and trading opportunities – this could be a business plan. Grants will not usually be awarded for core activity; the expectation is that social enterprises have an identified income stream for delivering core services/activities, prior to applying for a grant.

## Accounts

You will be required to provide annual accounts when applying. These must:

- show where income comes from to include traded income, grants and donations. If your accounts do not currently provide the detail, you will need to provide additional information
- provide defined expenditure for the last 12 months
- acknowledge any funding from NCF as a restricted grant

On receiving an application, we may ask the following:

- how many of the company's directors are paid employees of the company;
- the salary levels of any paid directors

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