

# GradStart

## Terms of Reference Document

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### 1. Overview

Enterprise Ireland's client companies are a key component of the Irish economy and crucial to sustainable economic growth. They are drivers of entrepreneurial activity, innovation and market growth, and are critical to fostering competitiveness and employment. To continue to grow and compete internationally EI is supporting the recruitment and retention of graduates within its client companies. These graduates will greatly enhance an employment base with the sophistication to develop new products, processes, supply chain improvement, market and management capability. The hiring of graduates will continue to bring fresh ideas, challenge the way things are done, stimulate innovation and bring a new perspective on products, processes and business models.

The GradStart initiative offers support to Enterprise Ireland client companies to hire up to three graduates at any one time, for a graduate contract duration of two years. It is a broad based graduate placement across all disciplines and sectors. Enterprise Ireland has designed and developed a dedicated website for its graduate offers and initiatives - [www.gradhub.ie](http://www.gradhub.ie) . To support client companies to attract and recruit graduates, companies can advertise their opportunities via this website.

### 2. Objective of GradStart

The objective of GradStart is to assist our indigenous companies to scale and grow their businesses through the introduction of good graduate talent to deliver clearly defined projects. This offer will specifically target the graduate community and help companies attract additional graduate resources. GradStart will support companies with ambitious growth plans to employ up to three graduates on a rolling basis for a 2-year contract duration for each graduate. Graduates will have a minimum Level 6 qualification on the National Vocational Qualifications Framework or equivalent. The offer will be available to all Enterprise Ireland client companies who meet the programme criteria.

The graduate will complete a project as defined by the company and linked to their overall growth plan. The company will identify an in-company mentor to work with the graduates; they will provide an infrastructure that supports them, both in their development and in the completion of the project, for the duration of the graduate(s) employment.

**Company benefits:**

- Facilitate EI's client companies to effectively compete for graduate talent.
- Utilise graduates to help deliver defined company projects and embed capability and/or support the company achieve its goals.
- Improve the skills base and competence available in the business
- Employment grant support for up to 3 graduates at any one time

**Graduate benefits:**

- A wide range of placement opportunities in indigenous growth oriented client companies
- Work on delivery of a practical project with an EI client company over a minimum 24-month placement.
- Dedicated in-company mentor support during the programme

### **3. Duration & Funding**

This is a 24-month placement support to embed higher levels of graduate capability in our client companies. Enterprise Ireland will provide financial support of **€30k (€15k per year) or 50%** of individual graduate salary costs (whichever is the lesser), with a limit of three graduates at any one time. The limit of three graduates is based on a rolling calendar year subject to maximum De Minimis of €200,000 in a three year period. The rolling period starts from the application submission date. The application submission date will also be the earliest date on which the new grant-aided employees may be recruited. *Graduates must be new graduates to the company, funding for existing graduates or employees will not be supported. If a company has hired a graduate under the G4IG or GBGI offer, funding to retain that graduate will not be supported by this offer.*

**In the event of any graduate contract issues arising, the company must notify their Enterprise Ireland Development Advisor of same at the earliest opportunity.**

## **Language Capability**

Where a company has a **clear requirement** for a graduate with language capability and recruits a graduate with language fluency\*, Enterprise Ireland will provide financial support of **€42k (21k per year) or 70%** of individual graduate salary costs (whichever is the lesser), with a limit of three graduates at any one time.

The company must clearly demonstrate the specific purpose of a language graduate and how that language will be utilised to deliver on the project.

### ***\*Language fluency is defined as:***

- Native speaker; and/or
- Holds a diploma in required language from a recognised language institute e.g. Goethe Institute; and/or

**Companies must apply for either the standard 50% grant rate OR 70% grant rate applied to language fluency. These grant rates are not transferrable or interchangeable.**

**If a graduate with the required language fluency is not sourced by the company the grant will be cancelled and the company must reapply if they wish to recruit a graduate at the standard 50% grant rate.**

Companies that intend to apply for funding under GradStart should contact their Enterprise Ireland Development Advisor in advance of submitting an online application for funding.

Project support is subject to:

- Not exceeding the De Minimis Limit of a rolling €200,000 over 3 fiscal years
- All companies must identify a suitable in-company mentor
- Compliance with company and graduate eligibility as set out in this document.

Note: GradStart is administered under De Minimis. Where companies have exceeded their De Minimis limits, they will not be eligible for these employment grants.

## **ERDF Funding**

GradStart is eligible for funding by the European Regional Development Fund (ERDF) and Enterprise Ireland under the Border, Midland and Western Regional Operational Programme 2014-2020.

To be eligible for ERDF the projects must be carried out in one of the following counties (this may be different to the location of the applicant): Cavan, Donegal, Leitrim, Louth, Monaghan, Sligo, Laois, Longford, Offaly, Westmeath, Galway, Mayo or Roscommon.

Graduates employed in SMEs **only** are eligible. Graduates employed in large companies are not eligible for ERDF co-funding.

## **4. Legal and State Aid Basis**

The legal basis for GradStart is Section 25 of the Industrial Development Act, 1986, as amended, and Section 7 of the Industrial Development Act, 1998. The State Aid basis is Aid under De Minimis Aid – Commission regulation EU no. 1407/2013

## **5. Applicant Eligibility**

### **Eligible companies:**

GradStart is open to all E.I. SME and mid-tier (less than 500 employees) companies<sup>1</sup>, Large companies (in certain circumstances), HPSU Accelerate companies and LEOs\*. The initiative is also available to eligible Údarás na Gaeltachta clients.

**\*HPSU Accelerate and LEOs are limited to 1 graduate on a 2-year contract at any one time and must have a minimum of 5 full time employees to qualify for support.**

### **Large Companies:**

Large companies may be eligible for support and should discuss potential eligibility with their Enterprise Ireland Development Advisor.

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<sup>1</sup> Traded services are defined under the Industrial Development Act 1986 and Industrial Development Services Order 2010 (SI No. 81 2010) see <http://www.enterprise-ireland.com/en/About-Us/Our-Clients/Eligibility-criteria.html>

**Ineligible companies:**

- Partnerships
- Companies who have received High Potential Start Up Funding in the past 3 years.

**Exclusions:**

Small enterprises in the agricultural sector are excluded in line with State aid guidelines.

Companies with charitable status, commercial semi-state companies, "not for profit" organisations, trade associations, company representation bodies such as Chambers of Commerce, Sports Clubs and other non-commercial bodies or associations are not eligible to participate in GradStart

**Graduate Eligibility:**

GradStart is open to graduates and postgraduates:

- Seeking graduate entry level positions;
- Have a recognised qualification not less than Level 6 on the National Vocational Qualifications Framework, or recognised equivalent, or a postgraduate degree not less than Level 9 on the National Vocational Qualifications Framework, or recognised equivalent;
- Have a valid work permit to work in Ireland (if required) for the duration of the 24-month placement;
- Have graduated within the last four years i.e. ; 2015; 2016; 2017 or 2018.
- Can provide proof of language fluency where required by hiring company

**Ineligible graduates:**

- Graduates who cannot provide evidence of having reached the required academic standard on the National Vocational Qualifications Framework or demonstrate equivalence;
- Graduates who do not, at time of application, have a valid work permit to work in Ireland;
- Graduates who are more than four years post-graduation i.e. graduated prior to 2015;
- Graduates recruited or on the company payroll prior to the grant support date, graduates transferred from another location of the company to the grant aided company location; graduates performing a sales or marketing

role for the grantee company; graduates supported by the Jobs Plus Programme administered by the Department of Social Protection.

- Graduates who cannot provide proof of language fluency (where required by hiring company)

## **6. Project Eligibility**

### **Eligible projects must meet the following criteria:**

- Applications from eligible companies;
- A project defined by the company linked to their overall growth plan and be part of the strategic development plan of the company;
- The company clearly demonstrates that it has an appropriate infrastructure (i.e. adequate work tools, desk/PC and support and access to work colleagues/supervisor or team leaders) to enable the graduate to fulfil the aims of the programme.
- The company identifies an in-company mentor to work with and develop the graduate on a daily/weekly basis.
- Activities that support the development of the graduate.
- If applying for 70% grant rate aligned to language fluency, the company must clearly demonstrate how that language will be utilised to deliver on the project.

### **Ineligible Projects:**

- Any projects related to a company's sales or marketing activities

## **7. Eligible Expenditure**

### **Eligible Company Employment Costs:**

- Salaries and Wages of graduates approved under GradStart Initiative (excluding Employers' PRSI and Bonus)

### **Ineligible Expenditure**

- Recruitment Costs
- Bonuses related to the graduate's salary
- Employers PRSI contributions
- Travel and subsistence in Ireland or Overseas.
- Any accommodation costs
- Expenditure incurred prior to the date of receipt of the Application to Enterprise Ireland is ineligible.

## **8. Company Responsibility**

Companies are responsible for attracting, interviewing and hiring their own graduate(s). Enterprise Ireland has designed and developed a dedicated graduate website - [www.Gradhub.ie](http://www.Gradhub.ie) where companies can advertise their own graduate opportunities to attract graduates.

Companies are responsible for the setting of appropriate graduate salaries. However for companies to receive funding graduates must, at a minimum, be paid the national minimum wage as set out in the National Minimum Wage Order SI 440/2017. Companies are also advised that graduates must have achieved the minimum qualification standards for the Programme (not less than Level 6 on the National Vocational Qualifications Framework) and are within the definition of a graduate i.e. must have graduated within the last four years:; 2015; 2016; 2017 or 2018

Where applying for 70% grant aid aligned to language fluency, companies are responsible for ensuring recruited graduates meet the language fluency requirements as set out in this document.

## **9. Application Process**

All company applications for funding should be discussed with your [Enterprise Ireland Adviser](#) prior to submission.

You can apply via the Enterprise Ireland [Online Application System](#).

Prior to applying you must do the following:

- Contact your assigned [Enterprise Ireland Adviser](#) to discuss your application.
- First time applicants will be required to register on the Enterprise Ireland [Online Application System](#).
- All Údarás na Gaeltachta companies must apply directly to Údarás na Gaeltachta.

## **10. Graduate Application Process**

Graduates will apply directly to companies via [Gradhub.ie](https://gradhub.ie); all company graduate opportunities will be advertised on [Gradhub.ie](https://gradhub.ie)

## **11. Funding Approval Process**

There are no call close dates. The process is not competitive. Applications will be evaluated by the company's Development Advisor and put forward for recommendation by the appropriate Department Manager in Enterprise Ireland. Applications will be assessed using the criteria below for each project submitted:

- The potential impact of the project on the strategic direction of the company;
- The commitment of the company to enhance its capability;
- The quality of the proposed infrastructure within the company to enable the graduate to fulfil the aims of this initiative;
- Previous Enterprise Ireland financial support and performance against targets.
- All companies must identify a suitable in-company mentor.

## **12. Time period for approval and drawing down grants**

### **There will be three claim periods:**

The first claim period will be on receipt by EI of the company signed letter of offer, graduate employment contract, copy of the graduates' qualifications and a tax clearance certificate. This claim will be for **25%** of the approved eligible employment costs.

The second claim period for **25%** of the approved eligible employment costs will be payable on completion by the graduate of the first 12-month placement/fulltime employment in the company.

The third claim period for 50% of the approved eligible employment costs will be payable on completion by the graduate of the 24-month placement/fulltime employment in the company.

The company will need to provide valid tax clearance, proof of graduate payment, copy of graduate payslip, director's statement and the relevant claim form.

Companies must incur and pay for all expenditure and submit claims for payment no later than the final claim date noted in their letter of offer. Any balance unclaimed after the final claim date will be cancelled.

### **13. Evaluation of projects that the graduates are working on**

Enterprise Ireland will evaluate the company projects that the graduates are working on throughout the 24-month period. The programme manager for GradStart will make contact with the company and the graduate hired throughout the 24-month period.