Claims guidance

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To see recent changes to this guidance, check the bottom of this page

Table of Contents

Introduction

Variations

Payment of claims

Claim form section one – beneficiaries details

Claim form section two – costs claimed

Claim form section three – other sources of funding

Claim form section four – progress report

Record of invoices and supporting documents

Hire purchase agreements

Evidence of payment

Secondhand equipment

Submitting your claim

Expenditure ineligible for this grant

Recent changes

Previous versions

Download

Introduction

1. This section gives general guidance on completing claims for grant awarded under the Food Processing, Marketing and Co-operation Grant Scheme. If you have any specific questions you should contact the Food and Drink Grants Team.

Claims should be submitted according to the claim dates as detailed on your award letter. Grant payments must be claimed using the proper claim forms which are available from the Rural Payments and Services website.

Grants will be paid on actual expenditure based on receipted invoices, bank statements and evidence of satisfactory progress at agreed intervals. The conditions under which grant is paid by the Scottish Government is detailed in the schedule attached to the approval letter.

The documents to be completed and submitted are listed below.

2. Claim Form

- section 1 – Beneficiary's Details
- section 2 – Costs Claimed
- section 3 – Supporting Documentation
- section 4 – Other Sources of Funding
- section 5 – Progress Report
- section 6 – Declaration and Signature
- record of supporting documentation

3. Other documents required

- original invoices
- evidence of payment of invoices

Claim and costs forms, and additional information sheets.

4. You should already be familiar with the provisions of the scheme from the guidance notes and you will also have received a letter from the Scottish Government stating the maximum amount of grant awarded and listing the conditions attached to the award.

Variations

5. Variations to the approved project will **not** be accepted at claim stage. All variation requests should be made in writing to the Food and Drink Grants Team in **advance** of incurring any revised expenditure. Your variation will be considered in relation to the original project and the general aims of the scheme. In certain circumstances, if it is necessary to amend the technical nature of the project, the amount of grant may be reduced. In some circumstances variations will require to be considered by the NPAC and where approved you will be notified in writing.

6. Payment of the grant may be suspended while a modification is being considered, even if the claim relates to work not directly affected by the modification.

Payment of claims

7. Claims must relate to actual expenditure. If claiming in instalments, the final instalment should be for at least 20 per cent of the award. In limited circumstance, the final instalment will be reduced. However, this will be considered on a case-by-case basis.

You should not submit a final claim until all approved costs of the project have been paid. Projects involving work on buildings that requires a building warrant must have a completion certificate before payment of the final instalment of grant can be made.

8. If you receive funding from another public body, such as a Local Enterprise Company or a Local Authority you must provide evidence of any instalment of grant paid by these agencies with each claim submitted.

9. Payments will be made by BACS to the bank account linked to your Business Registration Number. We aim to make payments within eight weeks of receipt of all claim fully completed claims (following submission of all supporting documentation).

Back to top

Claim form section one – beneficiaries details

10. All details on this section must match those on the letter confirming the award of grant.

Claim form section two – costs claimed

11. This section is used to provide a summary of the costs actually incurred on the project, which will be those you have listed in detail on the claim form (see below) and those which have been the subject of previous claims. Amounts must be entered excluding recoverable VAT.

11.1 Item description and cost approved – entries must match section 2.6 of your award letter.

11.2 Actual cost – the total expenditure on the item in this and any previous claims.

11.3 Cost claimed – total payment on the item of expenditure cannot exceed the approved value of the item, as detailed in your award letter. if the amount you want to claim is above the approved value, this may result in recovery or potential penalties. Further details on why we must apply penalties can be found in the Disallowance and penalties section.

Disallowance and penalties

Claim form section three – other sources of funding

12. Please provide details of contribution from other funding organisations. If applicable, you must include remittance advice notes for all contributions.

Claim form section four – progress report

13. This section should provide a concise report on project progress to date:

- detail of progress achieved relating to main objectives and expectations (point 2.4 of grant award letter)
- details of progress achieved relating to targets and milestones (point 2.5 of grant award letter)
- any other information that you feel relevant to the progress of your project to date (ahead of schedule, difficulties faced, productions, for example)

Record of invoices and supporting documents

14. The record is used to list all invoices and other documents provided in support of the claim. Amounts entered should be net of recoverable VAT. Invoices or other documents previously submitted need not be listed. **Original invoices and vouchers (plus one copy) relating to the entries on this form must be submitted**. Originals will be returned after payment of the claim. If you need more space you may use copies of this form or, if completing in Excel, you may add or delete rows to suit.

14.1 Columns one and two – use these columns to list the approved items as at Section two of the claim form.

14.2 Columns three to nine – use these columns to list the invoices relating to this claim. Invoices should be numbered in sequence in the top right hand corner. This number should be entered in column three. There may be multiple items in these columns for each item in columns one and two.

15. Example record of invoices and supporting documents

Example: record of invoices and supporting documents (PDF, Size: 33.1 kB)
doc_external_url: https://www.ruralpayments.org/media/resources/FPMC-example-record-of-invoices-and-supporting-documents.pdf

Back to top

Hire purchase agreements

16. If you intend to fund any part of your investment through a hire purchase agreement, you should inform the Food and Drink Industry Division, as this may affect the timescale over which the grant is claimed.

17. Any equipment purchased subject to hire or lease purchase agreements should also be identified. The amount entered for these should be net of recoverable VAT and interest. The description for these items should show whether the payment is in respect of the deposit or instalments.

For example:

- deposit on slicing machine = £4,500
- 12 instalments slicing machine @ £250 = £3,000

18. For each agreement, a sheet must be attached showing for each payment the capital, VAT and interest paid.

Example: format for hire purchase agreements for claim form (PDF, Size: 27.1 kB)
doc_external_url: https://www.ruralpayments.org/media/resources/FPMC-example-format-for-hire-purchase-agreements-for-claim-form.pdf

19. You should note that we can only pay grant on hire purchase deposits and instalments paid to date. The final instalment of grant will be released when all hire purchase agreements are complete.

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20. Funding can only be paid on hire purchase agreements where the final instalment will be paid before 31 December, 2021.

Evidence of payment

21. The payments listed on the claim form must be supported by either an accountant's certificate, cleared cheques or bank statements.

Example: form of words for the accountant's certificate (PDF, Size: 120.3 kB)
doc_external_url: https://www.ruralpayments.org/media/resources/FPMC-example-form-of-words-for-accountants-certificate.pdf

Cleared cheques or bank statements should be attached to relevant invoices. Where the payments relate to more than one invoice a copy can be used. If the payment differs from the invoice amount an explanation must be provided.

22. The accountant's certificate should be made by an accountant eligible under the terms of Section 25 of the Companies Act 1989 for appointment as a company auditor.

Secondhand equipment

23. Purchase of secondhand equipment by small or medium enterprises (SMEs) is allowed under the scheme under the following conditions:

23.1 The seller of the equipment must provide a declaration stating its origin, and confirm that at no point during the previous seven years has it been purchased with the aid of national or community grants.

23.2 The price of the equipment must not exceed its market value and must be less than the cost of similar new equipment.

23.3 The equipment must have the technical characteristics necessary for the required operation and comply with applicable norms and standards.

Please contact the Food and Drink Industry Division if you have any questions.

Back to top

Submitting your claim

Completed claims should be sent to the Food and Drink Industry Division at the address below. Any questions regarding the claim should be directed to these contacts.

Food and Drink Grants Team
The Scottish Government
Agriculture, Food and Rural Communities Directorate
B1 Spur
Saughton House
Broomhouse Drive
Edinburgh EH11 3XD

Tel: 0300 244 9288

Fax: 0300 244 9990

FoodProcessingGrant_Enquiries@gov.scot

Expenditure ineligible for this grant

The following items or areas of expenditure are ineligible for grant aid. Inclusion of any of these items in a claim would not normally render the whole project ineligible, but their costs will not be included in the

amount upon which grant is calculated. They should be included in the record of invoices and supporting documents (part of the claim form), but should be identified as ineligible.

- purchase of buildings intended for demolition or which have been used for the same purpose previously
- vehicles for external transportation (forklift trucks, or similar, are eligible)
- harvesting equipment
- the company's own labour and equipment costs
- consumables (items normally written off within one year)
- repair and maintenance costs
- one-for-one replacement
- landscaping and ornamental work
- technical charges exceeding 12 per cent of the total capital cost of the project
- land purchase costs exceeding 10 per cent of the total capital costs of the project
- preliminary costs, such as site purchase, architects/consultants fees (except the fees relating to the completion of the application), obtaining planning permission/building warrants and other statutory consents incurred prior to notification of grant award

Back to top

Recent changes

Section	Change
Expenditure ineligible for this grant	More information about preliminary costs

Previous versions

Previous versions of this page.

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