

# Co-funding the business activity start based on the rules stipulated for social cooperatives

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## What is the co-funding of the business activity start based on the rules stipulated for social cooperatives?

Co-funding the business activity start based on the rules stipulated for social cooperatives, i.e. one-off funds for the establishment of a social cooperative or joining the social cooperative, is a form of support provided to the unemployed, graduates of a Social Integration Centre, graduates of a Social Integration Club or people not employed or not doing any other paid work who want to create a social cooperatives or join an operating social cooperative.

## Who can receive the co-funding of the business activity start based on the rules stipulated for social cooperatives?

Co-funding of the business activity start based on the rules stipulated for social cooperatives can be awarded to:

- An unemployed,
- A graduate of a Social Integration Centre,
- A graduate of a Social Integration Club,
- A jobseeking carer of a disabled person, not employed or not doing any other paid work, except for carers of a disabled person receiving an attendance allowance or a special carer's allowance pursuant to the regulations on family benefits, or an allowance for the carer pursuant to the regulations on the determination and payment of benefits for carers, hereinafter referred to as a "carer",
- A jobseeker not employed or not doing other paid work, hereinafter referred to as a "jobseeker".

**Note:** A jobseeker, just like an unemployed, must be registered in a poviast Labour Office.

## What amount of funds can be received?

The one-off funds for the establishment of a social cooperative or joining an existing one, including for covering the costs of legal assistance, consultation and advice connected with starting that activity can be awarded in the amount not exceeding six times the average remuneration per one founding member or per one member joining a social cooperative after it has been founded.

## The agreement for the one-off funds for the establishment or joining a social cooperative

The funds for the establishment of a social cooperative or joining an existing one are awarded based on an agreement executed by and between the starost (represented by the head of a Poviast Labour Office) and the unemployed / graduate of a Social Integration Centre / graduate of a Social Integration Club / carer / jobseeker.

The funds awarded to the unemployed / graduate of a Social Integration Centre / graduate of a Social Integration Club / carer / jobseeker under the Labour Fund for founding or joining a social cooperative constitute de minimis aid for a social cooperative under the provisions of the Commission Regulation (EU) no. 1407/2013 of 18 December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid (Official Journal EU L 352 of 24 December 2013, page 1).

A basic obligation of the person who received funds for the establishment or joining a social cooperative is the membership in it for at least 12 months.

## **An application for the award of one-off funds for founding or joining a social cooperative**

An application for the award of one-off funds for founding a social cooperative or joining an existing one can be considered if it is complete and duly filled in, and the starost has funds for it.

1. The application for the award of one-off funds for founding a social cooperative contains e.g.:
  - The sum of funds applied for,
  - Type of the business activity which is to be run by the founded social cooperative,
  - Calculation of costs connected with the activity start and sources of funding them,
  - Detailed specification of expenses to be paid within the funds applied for,
  - Proposed form of fund return security.
2. The application for the award of one-off funds for joining a social cooperative contains e.g.:
  - The sum of funds applied for,
  - Information on the appropriation of the requested funds in line with the purpose of joining the social cooperative,
  - Detailed specification of expenses to be paid within the funds applied for,
  - Proposed form of fund return security.
3. The detailed conditions to be met by people applying for one-off funds for founding or joining a social cooperative are stipulated in the Regulation of the Minister of Family, Labour and Social Policy of 27 September 2018 on awarding funds for starting the activity based on the rules stipulated for social cooperatives, creating a workplace and for funding the costs of employment of a referred person in a social cooperative (Journal of Laws of items 1859).
4. The starost shall notify the unemployed / graduate of a Social Integration Centre / graduate of a Social Integration Club / carer / jobseeker of accepting or rejecting the application for the award of funds for founding or joining a social cooperative in writing within 30 days after a complete application was submitted. If the application is rejected, the starost shall indicate the reason for rejection.