

FREQUENTLY ASKED QUESTIONS

Requirements for the applicant

Can a non-profit organisation apply for the grant?

The grant is limited to companies in Tallinn, non-profit organisations (NGOs) and foundations (SAs) are not eligible.

Why can't a self-employed person apply for the grant?

As there are more than 60,000 active entrepreneurs in Tallinn, a selection of potential applicants had to be made given the size of the grant. Therefore, preference was given to companies that generally have more employees with higher growth potential.

Which companies are eligible for the grant?

The grant is open to companies manufacturing and providing services in Tallinn, who have submitted at least one annual report to the Commercial Register. The grant is not available to, among others, wholesale, retail and rental companies. The enterprise's turnover in the last 12 months must be between EUR 20,000 and EUR 400,000 according to the Tax and Customs Board, and the enterprise must have had at least 1 full-time employee in the last six months.

If the entrepreneur is not a VAT taxable person and the Tax and Customs Board has therefore failed to disclose the entrepreneur's turnover for the last 12 months or the turnover rate has been only partially disclosed, how is the entrepreneur's turnover identified?

If the Tax and Customs Board has not disclosed or has only partially disclosed the entrepreneur's turnover, the applicant must submit a (certified) income statement for the period for which the Tax and Customs Board has not disclosed or has not fully disclosed the data. The applicant shall certify that the information provided in the income statement is correct and will be reflected as such in the next annual report.

Eligible expenses

Which expenses qualify as eligible and which do not?

Eligible expenses are either one-off, monthly or other regular expenses incurred for the acquisition or development of a digital solution that has not been used in the enterprise before. A digital solution is defined as a software license or application software (e.g. human resource management and marketing software, a warehouse management system, e-commerce solution, reservation system, or any other software used in the production or service provision process that contributes significantly to the efficiency and competitiveness of the business). Eligible expenses also include the necessary expenses incurred for the acquisition of the digital solution such as one-off installation and training expenses. Expenses considered as not eligible include the purchase of software and office software (accounting, word processing, spreadsheet, design, photo editing and presentation software) that support the applicant's company's core functions.

Can an architectural firm use the grant to purchase design software?

Since design software is essential to the architectural firm's business and is directly involved in the firm's core function (without such software, the architectural firm would be unable to provide its services), the acquisition of such software is not an eligible expense. Grants will be awarded particularly for projects that have the potential to make a rapid and measurable impact on the enterprise's financial performance in the short term, and that enable an already operating enterprise to improve the efficiency of its business and consistently increase its competitiveness.

Can a manufacturing or service-providing company acquire previously unused software that will improve its manufacturing or service-providing process and, as a result, increase its business efficiency and competitiveness?

Such software is in a sense linked to the company's core function, but provided that it is software that has not previously been used in the production or service provision process, and its introduction will result in increased business efficiency and competitiveness, the acquisition or development of such software is an eligible expense.

Is the launch of a website eligible?

While a well designed and modern website is important for an enterprise's business, the grant for digital solutions is intended to support acquiring software licenses or application software - the development of a website is not an eligible expense. Among other eligible expenses, the grant can be used for the development or acquisition of an e-commerce solution that can be integrated with an already existing website. In the case of new and acquired digital solutions, it is important that they have an impact on the enterprise's efficiency and increase its competitiveness. It is essential that the desired results can be measured and evaluated.

Which software purchases are not covered by the grant?

THE GRANT DOES NOT COVER software necessary for the core functions of an enterprise (e.g. design software for an architectural firm, photo processing software for a photographer, etc.) and office software (accounting, word processing, spreadsheet, design, photo editing and presentation software).

Are Wordpress' paid plugins eligible?

If the enterprise complies with the other criteria and the software can be used for an e-commerce store then it is an eligible expense.

Can you apply for a grant to set up an online store?

If the applicant is a Tallinn-based manufacturing or service-providing enterprise wishing to sell its goods or services through an online store, the creation of an e-commerce site is an eligible expense. For tips on setting up an online shop, watch the video course "How to start an online shop".

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Can a software development service also be provided by, for example, a digital marketing company offering Wordpress development?

If the annual report of the enterprise providing the service also includes the development of software as an activity, it is eligible.

Is the integration of an accounting software and an e-commerce site eligible? (e.g. Woocommerce and Merit software)

The purchase of accounting software is not an eligible cost. The role of interfaces in supporting the marketing function is important. The interfaces are eligible, however, because they are essentially new software solutions for the enterprise.

Do eligible expenses have to be incurred within one year?

Expenditure may be incurred up to 12 months from the date of application. The grant will be paid out in one or two instalments after the actual expenses have been incurred and the reports and accompanying documents have been submitted.

Processing of applications

How quickly will you receive a decision on your application?

A decision will be issued within a maximum of 30 days of the submission of a valid application.

How are projects evaluated?

The Tallinn City Enterprise Board's business consultants will involve experts from other trade associations (e.g. ITL) upon necessity and assess whether the activities and expenses are reasonable, justified and essential in improving the applicant's competitiveness. In the action plan accompanying the project, the entrepreneur must present a comparison of the digital solution's implementation with the current situation in the enterprise and the measurable desired results.

What is the typical amount an entrepreneur usually requests (is it always the maximum)?

The amounts requested have tended to be in the range of around 50-60% of the aid ceiling. Grants are requested according to the actual needs of the enterprise, not the maximum amount. A similar procedure should be followed when applying for other grants from the Tallinn City Enterprise Board. The maximum grant per applicant is EUR 6000 per year, to which the applicant is required to contribute at least 30% of their own financial means (EUR 2571). The personal contribution can also be higher. An entrepreneur may submit an application twice a year (for instance, the first application for a grant of EUR 2000 and the second after a few months for EUR 4000).

Do I always have to request a price quotation?

In the case of a product that is available, for example, in an online shop or on a website, a screenshot showing the name of the product, the price and the date is sufficient.

Does the application have to be accompanied by three price quotations or is one sufficient?

In cases where the amount of one quotation excluding VAT is less than EUR 5000, one quotation is sufficient. In the case of a quotation exceeding EUR 5000, three independent and comparable quotations must be submitted, together with a justification for the chosen offer. If it is not possible or reasonable to include comparative quotations, a justification must be provided with the submission.

Can you provide a source to have an overview of software ratings?

Google: Top 10 customer management software 2020