

# Hasanah Social Enterprise Fund 2023 (“HSEF2023”)

## Frequently Asked Questions (FAQ)

Have a question about the fund? Read on to find your answer. If our FAQ section does not answer your question, ask us at [grant.application@hasanah.org.my](mailto:grant.application@hasanah.org.my)

### 1. What is the Hasanah Social Enterprise Fund 2023 (“HSEF2023”)?

The HSEF2023 is a funding programme by the Ministry of Finance of Malaysia to empower and support the growth of businesses in Malaysia aiming to scale their innovative solutions and achieve its financial as well as social and/or environmental objectives.

### 2. Who is behind the HSEF2023?

The funding is provided by the Ministry of Finance (MOF) Malaysia to Yayasan Hasanah to manage and disburse the fund.

**Ministry of Finance (MOF):** The Ministry of Finance (MOF) is a ministry of the Government of Malaysia that is charged with the responsibility for government expenditure and revenue raising. The ministry's role is to develop economic policy and prepare the Malaysian federal budget. The Ministry of Finance also oversees financial legislation and regulation.

**Yayasan Hasanah:** Yayasan Hasanah (Hasanah) is a foundation set up with the aim of creating greater social and environmental impact to complement Khazanah Nasional Berhad's efforts in contributing to developing Malaysia into a globally competitive nation.

As a convenor, collaborator, and catalyst of change, Hasanah focuses on the country's pressing community and social issues, bringing together policymakers, civil society organisations, corporations, and local communities to enable collective impact for the people and environment.

### 3. What is the difference between HSEF 2022 and HSEF2023?

- HSEF2023 has a higher allocation from the Ministry of Finance, where the total allocation is RM10 million, as compared to HSEF2022 where the total allocation was RM5 million.
- The proposed loan repayment amount between HSEF2022 and HSEF2023 is different (for Growth & Scale path) to improve the effectiveness of the program. Please refer to item 5.

### 4. What are the targeted impact areas of HSEF2023?

We are open to companies that are providing innovative solutions in the following targeted impact areas:

- Education
- Community Development
- Environment
- Arts & Public Spaces

## 5. What are the requirements?

The applicants will be early-stage businesses in Peninsular Malaysia, Sabah and Sarawak, preferably those with the capability, interest, and potential to expand and develop their organisation to benefit targeted beneficiaries under Hasanah's priority areas.

5.1 Applicants will be able to apply for the HSEF2023 amounts, based on the following:

Category	Criteria	Funding Amount	Instrument
Category I	<ul style="list-style-type: none"><li>Seeding Path</li></ul>	Up to RM100,000	Grant
Category II	<ul style="list-style-type: none"><li>Growth &amp; Scale Path</li></ul>	Up to RM500,000	Loan
Category III	<ul style="list-style-type: none"><li>Growth &amp; Scale Path with SE.AC Accreditation</li></ul>	Up to RM750,000	Loan

5.2 For Category I, the following needs to be compiled with:

- At least six (6) months in operations
- Clear and measurable social and/or environmental goals
- More than 30% of annual revenue is commercially earned as opposed to via contribution, donation and grant funding

5.3 For Category II, the following needs to be compiled with:

- At least two (2) years in operations
- Clear and measurable social and/or environmental goals
- More than 50% of annual revenue is commercially earned as opposed to via contribution, donation and grant funding
- Fulfil one of the following:
  - at least 30% of the workforce from the target beneficiary group(s)
  - minimum 15% of annual business expenditure delivers and meets the environmental mission or social purpose/objective
  - at least 25% of annual net profits (after tax) distributed back to business operations to achieve the social/environmental mission(s)

5.4 For Category III, the applicant must have the Accredited Social Enterprise (SE.AC) accreditation from the Ministry of Entrepreneur and Cooperatives Development (KUSKOP).

5.5 In addition to the above, the applications will be reviewed according to internal criteria by the HSEF team which will include operational scalability, sustainability, growth potential, management team, depth of impact, amongst others.

## 6. Is it mandatory to have the SE Accreditation to apply for HSEF2023?

- For Category I and II, it is not mandatory to possess SE Accreditation to apply for HSEF2023.
- For Category III, it is mandatory to possess SE Accredited (SE.AC).

## 7. What approach does Hasanah expect in terms of impact measurement?

- Firstly, applicants are expected to already have a process of collecting and measuring data on social and/or environmental indicators as part of its business processes.
- Secondly, Hasanah will endeavour to provide feedback on these impact indicators during the due-diligence stage.

## 8. How is the funding awarded?

The HSEF2023 will be offered through two pathways:

Seeding path:

- The funding will be offered in the form of a grant funding to support the developmental purposes of the organisation, in line with the targeted impact areas of funds provided.

Growth & Scale path (Category II and III):

- The funding provided will be in the form of a zero (0) interest rate loan that looks at the applicant's performance in meeting financial and impact targets. Additionally, the proposed repayment terms i.e. amount and period is based on the applicant's achievement of agreed milestones/KPI.
- The proposed amount is as per the table below:

On Target	Stretch Target*
Pay back of 90% of total approved fund	Pay back 70% of total approved fund

\* Achieved milestones before agreed timeline

8.1 Submission of application by applicants would include business plan propositions, cash flow projections, schedule of utilisation and impact indicators.

## 9. What are the key dates for HSEF2023?

Key Dates	Events
17 July 2023	Application Opens
Week of 21 July 2023	"Ask Me Anything (AMA)" Webinar #1
Week of 21 August 2023	"Ask Me Anything (AMA)" Webinar #2
Week of 21 September 2023	"Ask Me Anything (AMA)" Webinar #3
30 December 2023 or when funding is fully committed, whichever comes first	Closing of application

**10. How do I apply for the HSEF2023?**

Yayasan Hasanah is accepting submissions starting from 17 July 2023 on an on-going basis until 30 December 2023 or when the funding has been fully committed, whichever comes first. Once the funding has been exhausted, Yayasan Hasanah will make an announcement to the public. The next application cycle shall be subject to availability of funding.

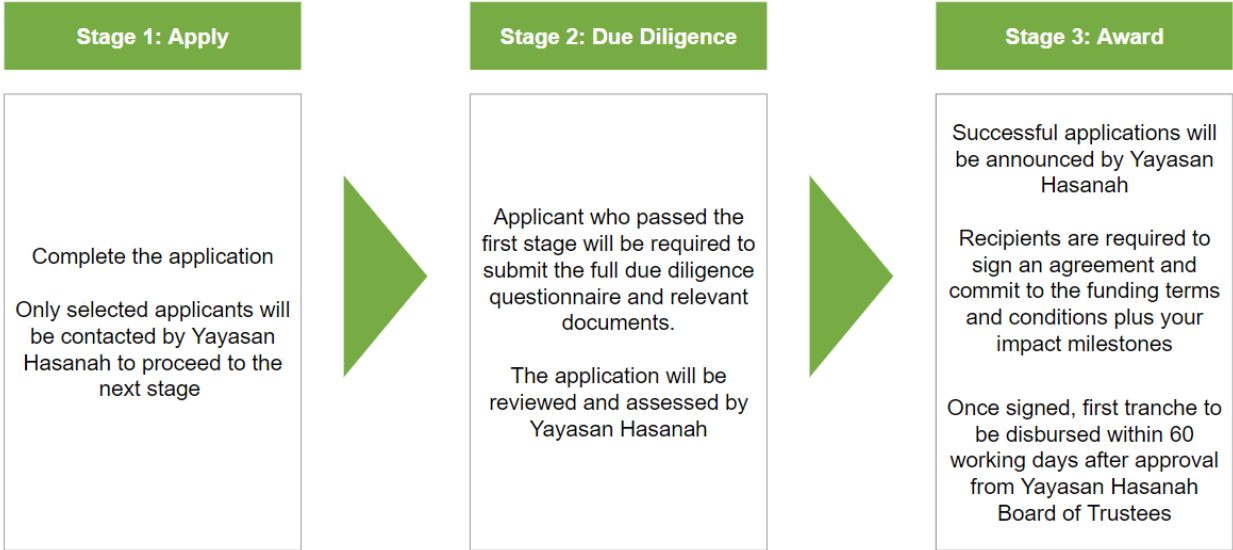
Complete information must be submitted online to facilitate pre-qualification evaluation. Submission of applications will go through three (3) stages:

- Stage 1: Apply
- Stage 2: Due Diligence
- Stage 3: Award

To begin your application, please complete this [application form](#).

Selected applicants will be contacted by Yayasan Hasanah no more than ten (10) working days of their submission date and if successful, to proceed to the next stage via written communication.

**11. Process flow for the HSEF2023**



**12. On application submission**

- Selected applicants who passed the first screening will be contacted by Yayasan Hasanah to submit the due diligence questionnaire and relevant documents.
- For the full application submission, the selected applicant will include their business plan with a detailed breakdown of utilisation of proceeds, cash flow projections, cost incurred and other relevant information for satisfactory evaluation and a detailed implementation plan including but not limited to timeline, tracking mechanism of impact and milestones.

- Applications will be received on an ongoing basis, starting from **17 July 2023 until 30 December 2023 or when funding is fully committed, whichever comes first.**
- Applications which are not selected will be notified in due time.
- If the organisation has problems accessing the internet, please connect us directly through our email [grant.application@hasanah.org.my](mailto:grant.application@hasanah.org.my)

### **13. When do successful applicants receive the funds?**

- Successful applicants will be offered a contract based on Hasanah's Agreement template and will include the applicant's proposal, work plan, disbursement schedule, milestones, and reporting schedules.
- The fund disbursements to successful applicants will be done based on the agreed-upon disbursement schedule and agreed milestones between applicants and Hasanah.
- As a conditional fund, subsequent fund disbursement will be made subject to the HSEF2023 team's evaluation and satisfaction of the applicant's progress report.

### **14. What are the monitoring and reporting requirements?**

- To determine the efficient and well utilisation of the funds, successful applicants must provide the following within their progress report every 3-6 months with interventions to close any gaps:
  - Implementation plan: to be illustrated by quarters of the total duration of the funding period depicting an execution plan, targeted milestones to achieve and expected cost in tranches.
  - Funding utilisation plan: to reflect breakdown of the revenue and expenses according to the set timeline for each quarter.
  - Impact monitoring sheet: to convey impact narrative, how impact is measured and targeted impact/beneficiaries per impact indicator.
- Any variation request from the successful applicant on their timeline, milestone or schedule disbursement must be submitted at least 1 month, prior to deadline, and approval is subject to internal review and consideration.
- All progress updates must be submitted online to the portal at [www.yayasanhasanah.org](http://www.yayasanhasanah.org) using the templates provided by Hasanah.

### **15. Do I need to continue reporting to Hasanah after the grant is completed?**

- Yes, the duration for the post-grant/funding reporting period will be stated in the funding agreement during the award stage.

**16. Who will set up the KPIs/Milestones?**

- The applicant is able to propose the KPIs/milestones during the application stage and the HSEF team will further refine the KPIs/milestones together with the applicant during the due diligence stage.

**17. What happens if I am unable to meet the KPI/milestones set?**

- In the event that Hasanah believes that any of the KPI/Milestone is not fulfilled to its satisfaction Hasanah may exercise its discretion, including but not limited to, withholding the disbursement of any Milestone Funding up to twenty-one (21) days or such other extended period as may be extended by Hasanah as well as instituting a clawback process.

**18. Can I apply for both Hasanah Grant 2023 and the HSEF2023?**

- Applicants are not allowed to apply for both Hasanah Grant 2023 and the HSEF2023.

**19. Can I reapply if I did not get selected for HSEF2022?**

- Yes, you are able to submit a new application for HSEF2023.
- Successful recipients of HSEF2022 are not allowed to apply for HSEF2023.

**20. Will there be more HSEF in the future?**

- The next application cycle shall be subject to the availability of funding from MOF.
- Please check out Yayasan Hasanah's website and social media platforms from time to time for the latest updates for future HSEF.

**21. If I am not a Sdn Bhd, can I apply?**

- No. You may apply if you are a legally registered entity under Suruhanjaya Syarikat Malaysia (SSM) and/or Sabah Trade Licensing Ordinance 1948.

**22. If I have an idea but has not been proven can I apply?**

- We do not accept applications from companies that have not established a product, market and customer base.
- HSEF2023 is looking for companies with traction and scalable business and impact models.

**23. If I have received grants in the past, can I apply for HSEF2023?**

- Yes, you are able to apply. However, you need to ensure that more than 30% of your annual revenue is commercially earned as opposed to contribution, donation and grant funding.

**24. If I get rejected, can I appeal?**

- You can appeal if your application is rejected by Yayasan Hasanah. However, the result of your appeal is subject to the discretion of Hasanah.
- You can submit your appeal via [grant.application@hasanah.org.my](mailto:grant.application@hasanah.org.my).

**25. For the loan, what is the repayment period?**

- Loan repayment period will be decided based on financial performance and growth potential.

**26. What are the implications of a default in repayment of the loan?**

- In the event that the funding recipient defaults in repayment of the loan, the recipient is required to repay to Hasanah the total disbursed amount, together with a sum (“**Premium**”) equivalent to the rate of five (5%) per annum thereon, calculated from the date of first disbursement of the Funding Amount by Hasanah until full settlement of the disbursed amount and all Premium thereon.

**27. Where do I go if I have more questions about HSEF2023?**

- Kindly email [grant.application@hasanah.org.my](mailto:grant.application@hasanah.org.my) and our team will get back to you within 5 working days.
- We will be organising three AMA sessions for HSEF2023. Please join our AMA session to ask us questions directly.
- We will also be organising roadshows in the near future. Further details will be announced on our social media platform.