



An Roinn Forbartha
Tuaithe agus Pobail
Department of Rural and
Community Development

Addendum to the Dormant Accounts Fund Action Plan 2020



ciste na
gcuntas díomhaoin
the dormant
accounts fund

Table of Contents

1. Background	3
2. Ministerial Responsibilities and the 2020 Action Plan	3
3. Addendum to the 2020 Action Plan.....	4

1. Background

The Dormant Accounts Act 2001, together with the Unclaimed Life Assurance Policies Act 2003 and the Dormant Accounts (Amendment) Acts 2005-2012, provide a framework for the administration of unclaimed accounts in credit institutions (i.e. banks, building societies and An Post) and unclaimed life assurance policies in insurance undertakings.

An account in a credit institution is considered dormant when no customer-initiated transactions have taken place for 15 years. Life assurance policies with a specified term are considered dormant 5 years after the end of that term. If attempts to contact account or policy holders are unsuccessful, the money will be transferred to the Dormant Accounts Fund (which is managed by the National Treasury Management Agency). However, the ownership rights of account or policy holders, or their heirs, are not affected by the transfer to the Fund and the money can be reclaimed at any time, along with interest.

The main purpose of the legislation is to put in place the necessary legal structures to transfer dormant accounts or policies into the Dormant Accounts Fund and to allow for the account or policy holders or their representatives to claim this money at a later date. However, the legislation also introduced a scheme which would allow money in the Dormant Accounts Fund to be used by Government to fund programmes or projects which would assist:

- the personal and social development of persons who are economically or socially disadvantaged;
- the educational development of persons who are educationally disadvantaged or
- persons with a disability.

The legislation dictates that Government may only use Dormant Accounts funding for the above purposes.

To administer this funding process the legislation governing Dormant Accounts also established an administrative framework, overseen by a single Minister, within which Departments could apply for funding from the Dormant Accounts Fund to fund measures which would assist the above target groups. Since July 2017 the Minister for Rural and Community Development, Michael Ring T.D. has responsibility for this function. This function is delegated to Minister of State Seán Canney, T.D.

2. Ministerial Responsibilities and the 2020 Action Plan

Under the Dormant Accounts legislation, the Minister is required to:

- Prepare an Action Plan, at least once a year, to give effect to a Disbursement Scheme. Action Plans contain details of programmes and projects to be funded under the

Disbursement Scheme. They set out the maximum amount proposed for disbursement in relation to each programme or project during the period to which the Action Plan relates;

- Where a programme or project specified in an Action Plan is under the remit of the Minister, he/she may invite applications for disbursements from the Dormant Accounts Fund; and
- The Minister is also required to prepare, no later than 30 June each year, an annual report to the Government on the operation of disbursements during the preceding year.

3. Addendum to the 2020 Action Plan

The Dormant Accounts Action Plan 2020 was prepared in line with the Disbursement Scheme currently in place and was published on November 7th 2019. The Action Plan allocated funding of €45.5 million to 43 measures to be delivered across 9 Government Departments.

Given the impact of the Covid-19 crisis on the community and voluntary, charity and social enterprise sectors, this Addendum to the 2020 Action Plan is now being put in place. It comprises two measures.

Measure 1: A maximum of €35 million will be provided for a targeted Stability Fund. This will provide once-off cash grants to provide immediate short-term cash flow for organisations providing critical services which have suffered significant income loss due to Covid-19 restrictions. The Fund will be targeted to relevant sectors and will help to address certain urgent critical needs.

It is envisaged that this measure will be administered by Pobal. The application and assessment process for the allocation of grants will be managed by Pobal and the Department of Rural and Community Development on behalf of the Government. The 2020 DAF allocations of relevant Departments will be increased by the necessary amount and Pobal will draw down funds for grant payments as required.

As this measure involves an application and assessment process, each relevant Minister/Department must approve a list of recommended grantees and the specific amount to be disbursed. This approved list must then be forwarded to the Minister for Rural and Community Development for further approval. The final lists of approved grantees and amounts will be laid before the Houses of the Oireachtas in due course.

Measure 2: A contribution of €5 million will be provided to a Philanthropic Fund with the potential to leverage philanthropic donations over time. The focus of the Fund will be on responses to the COVID-19 crisis that require innovative and adaptive solutions to existing and emerging societal challenges. It will support the community and voluntary, charity and social enterprise sectors to innovate and adapt in a changing economic and societal landscape. The Fund will be administered by Social Innovation Fund Ireland, supported by an advisory board. The allocation for this measure will rest with the Department of Rural and Community Development.

As with all Dormant Account measures, the supports to be provided through both measures must impact positively on those persons/groups identified in the Dormant Accounts Acts – persons suffering economic, social or educational disadvantage; or persons with a disability.

The above funding commitments totalling €40 million are possible due to the level of reserves in the Dormant Account Fund. They will not impact on funding for existing Dormant Accounts Fund measures in any way. Furthermore, the Annual Action Plan for 2021 will be published in the normal course following Budget 2021.