

Vesting certificates: guidance

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Definition

A vesting certificate is a legal document that confirms ownership of assets, such as plants, machinery, or materials, that have not yet been delivered to site.

Purpose

The purpose of a vesting certificate is to provide protection of ownership rights, security and safety and compliance to regulations for the goods acquired.

Use

Grant recipients may use vesting certificates to demonstrate to Salix they have legally procured equipment even if they are not delivered to site. In some cases, Salix can accept vesting certificates to support evidence for payment claims so that grant recipients can maximise their Scotland's Public Sector Heat Decarbonisation Fund project spend by claiming for items arriving on site after the grant end date. This provides the opportunity for grant recipients to 'front load' their Scotland's Public Sector Heat Decarbonisation Fund spend and utilise their own funds for installation after the grant end date.

Grant recipients can only claim for the costs that have been incurred.

For example, if grant recipients have paid for 50% of the equipment and will pay the remaining 50% upon delivery on site after the grant end date, only the 50% costs incurred within the eligible grant period may be claimed.

Any claim for payment using vesting certificates or similar, must be supported with evidence that the costs have been incurred within the grant period. We would typically expect this to be invoices, but other evidence such as remittance advice or redacted bank statement may be accepted.

Requirements

To use a vesting certificate as evidence for a payment request, it should include the following:

- Dated on/before the grant end date
- Clear description of items listed, including their quantity and value
- Payment schedule accompanied by an invoice(s) or other proof of payment (eg. remittance advice).

If a vesting certificate cannot be provided, you may provide the following instead (all four must be provided for a valid claim):

1. Purchase order showing the mandate to the supplier for a specific item, quantity, value, and delivery address
2. The supplier's purchase order acceptance showing the order agreement at the stated conditions (can be via email or signed contract)
3. The latest delivery communication from the supplier (on supplier's letterhead) confirming the delivery date of the items ordered
4. Accompanying invoice or other evidence to show the costs have been incurred.

If you have any questions about this guidance, please speak with your relationship manager.