

## Common myths about transferring apprenticeship service funds

### 1 “You can only make a transfer of apprenticeship service funds to an employer in your supply chain”

FACT: You can make transfers from your apprenticeship account to as many employers as you choose, up to the maximum amount of 25% of your annual funds.

### 2 “You can fund any apprenticeship with a transfer”

FACT: You can only fund apprenticeship standards with a transfer, not apprenticeship frameworks. Employers are designing new high quality standards to replace frameworks to ensure apprenticeships are more responsive to employers’ needs.

### 3 “If an employer makes a transfer to another employer, then they won’t know what they will spend it on”

FACT: The employer sending the transfer has to give final approval to the apprenticeship(s) being funded, after the receiving employer and training provider have agreed all of the details.

### 4 “Can I transfer 25% of my apprenticeship service funds to a charity as a gift?”

FACT: Transfers can only be used to cover costs of apprenticeship training and assessment in another organisation. You can transfer funds to a charity to pay for an apprentice. The transferred money can be used only to pay the training and assessment costs of an apprentice.

### 5 “Training providers can transfer apprenticeship service funds and deliver the training”

FACT: Training providers can make transfers, but they cannot then provide the training for that funding, either as the provider or as a subcontractor.

### 6 “You can only fund one apprentice at a time with a transfer and you can only make one transfer transaction”

- FACT: You can transfer to any number of employers, for any number of apprenticeships with each, up to the maximum of your 25% allowance.
- When transfers were first introduced, as a temporary measure, you were only able to make a transfer to one employer (which could have funded as many apprenticeships as you chose, up to the maximum allowance).

### 7 “If my 25% transfer allowance is less than the cost of the apprenticeship standard, can I still transfer my funds to pay for that apprenticeship? For example, I can transfer £10,000 a year but the apprenticeship standard I want to fund costs £27,000”

- FACT: Before setting up a transfer you need to ensure that your annual 25% transfer allowance is sufficient to cover the annual cost of an apprenticeship standard. Transferred funds will be the first funds to come out of your account each month, so it is important you ensure that your account has enough funds to support the transfer and any existing, or future, apprenticeship commitments of your own.
- When setting up a transfer you agree to cover the full cost of training and assessment up to the funding band maximum for that apprenticeship.
- If a sending employer has insufficient funds in their account in any month to meet all their commitments, they will have to pay co-investment for any of their own apprentices that cannot be funded. If there are insufficient funds to meet transfer commitments, the receiving employer will have to pay co-investment on any shortfall.
- You can use the Funding Projection Tool in your apprenticeship service account which will help you manage your funds. For more information you can see [here](#).

### 8 “I want some of my unspent levy funds to be used to help others by aggregating some of my funds with theirs, but I can’t do that”

- FACT: We do that for you by reallocating unspent funds to other apprentices. There are also other ways that you can support other employers of your choice directly:
- You can transfer up to 25% of the funds in your apprenticeship service account to other employers of your choice (such as in your supply chain), and you can work with others to agree how best to support your supply chains in this way.
  - You can use an existing body, such as a LEP, regional hub or sector body, or set up a new transfer to coordinate or manage transfer activity.
  - You can loan or second an apprentice you employ to another employer for the work-based part of their apprenticeship.

Find out more about [transfers](#) here.

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