

# Arts Leverage Fund Guidelines

The Arts Leverage Fund aims to drive the development of new relationships with the private sector that can deliver improved funding outcomes through sponsorship or philanthropy.

Only arts organisations that have received Arts Queensland funding from 1 July 2013 through the Projects and Programs Fund, the Organisations Fund or are recognised as Major Performing Arts Organisations by the State and Federal Governments are eligible to apply.

The Arts Leverage Fund works to incentivise private sector giving by matching eligible cash sponsorship and philanthropy dollar for dollar, while leveraging government investment in Queensland-based arts and cultural organisations.

Funding for the program is \$4.5 million over 3 calendar years, 2015 to 2017.

## Key Objectives

The key objectives of the Arts Leverage Fund are to:

- Grow private sector support for the arts in Queensland by matching cash sponsorship and philanthropy, doubling the impact of investment
- Support arts organisations to improve their financial sustainability by building successful private sector relationships
- Build awareness in the business and philanthropic communities of the benefits of investing in arts and culture and the importance of a thriving arts community.

## What do we mean by arts?

For the purposes of the Arts Leverage Fund, the arts are defined as the creative disciplines of visual art, craft, writing, design, theatre, dance, music, and the organisations which develop, distribute, support, promote and conserve them, including production companies, festivals, museums, galleries and theatres as listed in the AQ glossary  
[www.arts.qld.gov.au](http://www.arts.qld.gov.au)

## **What do we mean by sponsorship and philanthropy?**

A sponsorship is defined as the payment to an arts or cultural organisation by a business in exchange for agreed benefits such as promotion of the business' name, its products or services. Sponsorship is typically part of a business' general marketing expenditure. It can include a sense of corporate social responsibility (CSR) or staff development. Sponsorship implies a two way relationship – tangible benefits are exchanged for mutual advantage. Partnerships often begin as a sponsorship arrangement but then deepen over time. The strongest partnerships are characterised by a sense of “shared value” and a long-term commitment.

Philanthropy or donations are gifts made with no expectation of a tangible benefit or return for the donor. Donations may come from individuals, families, and companies or as grants from trusts and foundations. A gift is defined as arising from ‘benefaction’ so a donor cannot receive any tangible benefit in return for their gift other than to claim or receive a tax deduction. Acknowledgement on your website, newsletter or a donors’ board is not regarded by the Australian Tax Office as a tangible or material benefit and is acceptable.

For more information, please refer to the Arts Queensland Blog.

## **How does it work?**

The Arts Leverage Fund matches cash philanthropy and sponsorship dollar for dollar up to a set maximum amount (ceiling) after an arts organisation achieves a pre-approved “performance baseline” for fundraising.

Individual performance baselines and ceilings for matched funding for each arts organisation are determined in consultation with the applicant’s Arts Queensland Client Manager as part of the pre-approval process.

The baseline is developed from an average of the previous two years’ fundraising performance as per the arts organisation’s audited financial statements.

In a given year, arts organisations have the choice of applying to receive up to \$40,000 in matched funds, or up to a 40% increase above their baseline fundraising performance, whichever is the higher amount or as advised by Arts Queensland. Revised targets will be set annually.

## **Who can apply?**

Only arts organisations that have received Arts Queensland funding from 1 July 2013 through the Projects and Programs Fund, the Organisations Fund or are recognised as Major Performing Arts Organisations by the State and Federal Governments are eligible to apply. All applicants must also be Queensland-based legally constituted not-for-profit arts and cultural organisations with at least two years of audited financial statements.

See the Eligibility Criteria below for further details.

## **When can I apply?**

Applicants need pre-approval for eligibility to access the Arts Leverage Fund before applying.

It is a rolling fund where applications can be submitted at any time, after an arts organisation’s eligibility and fundraising amounts have been confirmed by Arts Queensland.

## Eligibility Criteria

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### 1. Applicants

Applicants must:

- be a Queensland-based legally constituted not-for-profit arts organisation
- have received Arts Queensland funding from 1 July 2013 through the Projects and Programs Fund, the Organisations Fund or are recognised as Major Performing Arts Organisations by the State and Federal Governments
- have a registered and current Australian Business Number (ABN)
- have satisfied the requirements of any previous Arts Queensland funding
- have a demonstrated track record and have been in operation for two or more years
- have a set of current audited financial statements for the past two years that clearly breaks down cash and in-kind sponsorship and donations; and
- have pre-approval for the Arts Leverage Fund.

The following arts and cultural entities are ineligible:

- Individual artists
- Organisations or groups that are not legally constituted (including unincorporated bodies, partnerships and individuals informally collaborating on a project)
- Government agencies, state owned companies, and cultural precinct statutory bodies
- Educational institutions (e.g. universities, schools, competitions and eisteddfods)
- Local arts councils
- Local government and university funded art galleries and performing arts presenting venues
- For-profit arts organisations

### 2. For cash business partnerships or sponsorships:

The business partner (sponsor) may include:

- Incorporated for-profit businesses
- Not-for-profit organisations
- Universities

### 3. Sources of private funds:

Donations and funds for matching may come from:

- cash business sponsorship or partnership
- private giving
- trusts and foundations

The following sources of funds are ineligible for matching:

- in-kind or contra business partnerships (sponsorships) or donations
- bequests
- loans
- crowdfunding
- property
- shares
- cultural or heritage gifts
- any form of local, state or federal government grants or funding.

## Fund Procedures

The Arts Leverage Fund works similarly to a performance bonus – rewarding arts organisations which have raised private funds beyond their baseline fundraising performance.

The performance baseline is determined from each arts organisation’s average fundraising performance over the two years preceding their participation in the Arts Leverage Fund (for example, 2012 and 2013 in the first instance).

Arts organisations are allowed to submit a **maximum of two** claims over the three calendar years of the Arts Leverage Fund.

Arts organisations wishing to apply more than once must choose **two consecutive years** to submit a claim to the Arts Leverage Fund, i.e. 2014 and 2015, or 2015 and 2016.

## Arts Leverage Fund Timeframes

	2014 Claim	2015 Claim	2016 Claim*
Fundraising target calculated on a baseline of:	Average of 2012 and 2013 fundraising performance	Average of 2013 and 2014 fundraising performance	Average of 2014 and 2015 fundraising performance
To be eligible to claim, private sector funds must be raised over the following period:	1 January 2014 – 31 December 2014	1 January 2015 – 31 December 2015	1 January 2016 – 31 December 2016
Funding released from Arts Queensland	From 1 January 2015	From 1 January 2016	From 1 January 2017

\* Final Pre-Approvals may be issued up to 31 December 2016.

## Important Information

- The Arts Leverage Fund will match sponsorships or donations retrospectively in the first year of the program – only eligible private sector commitments which commenced from 1 January 2014 may be matched.
- The value of the matched funding is calculated as the value of the cash contribution from the business partner or donor in any year, capped at either a 40% increase on the pre-approved baseline fundraising performance or at \$40,000, whichever is the higher amount or as advised by Arts Queensland.
- The private sector/arts organisation relationship must involve a business or donor entering into a new partnership with a particular arts organisation or for a new project within an existing arts partnership. Pre-existing relationships (prior to 1 January 2014) will only be eligible if both parties commit to a new relationship for a greater cash amount and matched funding will only be provided for that portion of the funding that represents new growth.

## How to apply

To gain pre-approval, please contact your Arts Queensland Client Manager.

### Online

Once pre-approved, you are invited to submit your application online. To apply online, please first contact Arts Queensland via email [investment@arts.qld.gov.au](mailto:investment@arts.qld.gov.au) or telephone 07 3034 4016.

### Offline

Once pre-approved you can download the Arts Leverage Fund application form from the Arts Queensland website.

Please email your complete application to:  
[investment@arts.qld.gov.au](mailto:investment@arts.qld.gov.au)

Alternatively, please post one complete copy of your application, including requested support material, to:

Arts Queensland  
GPO Box 1436  
BRISBANE QLD 4001

You will receive an email or letter notifying you that your application has been received. If you have not received an acknowledgement within 10 days of submitting your application, please contact Arts Queensland by email at [investment@arts.qld.gov.au](mailto:investment@arts.qld.gov.au) or on telephone 07 3034 4016.

### Important information for all applicants

These guidelines should be read in conjunction with the *Arts Leverage Fund Frequently Asked Questions* (FAQ) document available on the Arts Queensland website.

- Arts Leverage Fund payments will be made at the same time as payments are received from the private sector. For example, if an arts organisation enters into a two year partnership with a business which is worth \$80,000 in total but the business pays the arts organisation in instalments of \$40,000 per year, then Arts Queensland may match each annual \$40,000 payment when it occurs for the duration of the matched funding program, but will not match the \$80,000 upfront.
- If securing the partnership or donation is conditional upon a successful application to the Arts Leverage Fund, applicants should wait until formally advised in writing by Arts Queensland that any matched funds will be approved before proceeding with the relationship.
- All payments will be subject to the availability of funding, and applications will not be considered once available funds are fully committed in that calendar year.
- **For Donations:** matching of donations will apply to the cumulative amount raised over the calendar year. A claim to the Arts Leverage Fund can be made at the end of the calendar year or when the applicant has achieved the ceiling amount for funding.
- **For Sponsorships:** matching of sponsorships requires that Appendix A of the Arts Leverage Fund Application form is completed for each eligible sponsorship received over the course of the calendar year.
- The costs of servicing a sponsorship (such as hospitality, catering and entertainment) will be assessed at the discretion of Arts Queensland. Sponsorship servicing and leveraging costs will not usually be counted as part of the value of the sponsorship for matched funding purposes.

## Application and Assessment Process:

1. All existing Major Performing Arts Organisations and triennially funded organisations should contact their Arts Queensland Client Manager who will facilitate an estimate of the baseline and ceiling fundraising amounts. All other applicants should contact Arts Queensland to speak with an Arts Development Officer.
2. Applicants receive a letter from Arts Queensland confirming their eligibility for the Arts Leverage Fund and their baseline and ceiling fundraising amounts.
3. Applicants complete and submit an Application Form and Supporting Material.
4. Verification of applications by Arts Queensland officers.
5. Approval of matched funding by Deputy Director-General, Arts Queensland.
6. Post Arts Leverage Fund discussion with Client Manager to chart future strategies.

The Application Form and Supporting Material required comprises of:

- An indication of how the matched funding will enhance the capacity of your organisation to deliver upon current Government commitments and generate an increased return on investment.
- Arts Queensland's investment principles include:

- **Quality:** High artistic achievement and a significant contribution to growing the arts sector and strengthening the community of arts in Queensland
- **Reach:** The ability to respond to and stimulate demand, with more people having access to, participation in and positive experiences of the arts across Queensland.
- **Impact:** Programs and services of recognised public value, contributing to the cultural profile of Queensland and reflective of Queensland Government priorities.
- **Viability:** Greater resilience and financial growth through strengthened organisational capacity and maximisation of resources.
- Major Performing Arts Organisations must address the four key criteria for Majors; attach a copy of your current Development Plan; and a revised operating budget showing how the matched funds will be expended.
- A signed and dated sponsorship agreement or donor’s pledge.
- Scanned proof of deposit of funds into the arts organisation’s bank account

Arts Leverage Fund applications will be processed and paid when:

- funds raised are verified as secured (proof of deposit); and
- there is sufficient funds remaining in the program.

Applications will be verified as they are received, and applicants will be notified of the outcome within eight (8) weeks of the date of receipt of the fully completed application.

**Reporting requirements for successful applicants:**

All applicants successful in securing matched funding from the Arts Leverage Fund will be required to complete and sign a funding agreement with Arts Queensland that outlines the terms and conditions of the funding, and attend a post Arts Leverage Fund meeting with their Client Manager to discuss outcomes and future directions.

Please also refer to the document – *Arts Investment – Important Information for Applicants* on the Arts Queensland website which provides important information on:

- Information Privacy and Right to Information
- Processes for feedback and review of decisions for unsuccessful applicants
- Agreements and contracts, acknowledgements, reporting and acquittal requirements for successful applicants.

**Support in preparing your application**

For helpful tips and a list of service organisations that can provide assistance visit the Arts Queensland funding website at [www.arts.qld.gov.au](http://www.arts.qld.gov.au) or contact Arts Queensland by phoning 07 3034 4016 or toll free 1800 175 531 or emailing [investment@arts.qld.gov.au](mailto:investment@arts.qld.gov.au)

**Translating and Interpreting services**

Applications may be submitted in any language. If you have difficulty in understanding this information and would like to talk to staff in your first language:

- telephone the translating and interpreting service on 13 14 50 during business hours
- contact Arts Queensland about speaking with an interpreter.

## Contact us

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Arts Queensland can provide pre-application assistance with queries in relation to the guidelines and eligibility criteria. Funded arts organisations must liaise with their Arts Queensland Client Manager to determine their individual Arts Leverage Fund baseline and ceiling.

Further information about the program, including copies of the guidelines, frequently asked questions and application forms, can be obtained by:

- Downloading from [www.arts.qld.gov.au](http://www.arts.qld.gov.au)
- Phoning (07) 3034 4016 or toll free 1800 175 531
- Emailing [investment@arts.qld.gov.au](mailto:investment@arts.qld.gov.au)