



## **SUPPORTING GRANT SCHEME GUIDELINES**

**PLEASE READ CAREFULLY**

### **A guide to the Supporting Grant Scheme**

The Supporting Grant Scheme is the Department of Arts and Culture's arts sponsorship initiative managed by BASA to develop business sponsorship of the arts.

#### **1. Joint completion of the Supporting Grant Application**

The possibility of a grant from BASA should be integrated into the negotiations with a potential sponsor from the outset. The Grant is an incentive for the business to sponsor, because its purpose is to provide additional funds to the arts organisation so that the artist can offer benefit or value to the business. The arts organisation and sponsor should discuss together ways of identifying opportunity through the sponsored programme for their mutual benefit.

Once an arts organisation and a business sponsor have agreed all the terms of the sponsorship, both parties complete their respective sections of the application form. (A for artists and B for Business)

Please give as much information as possible, *especially details of the additional benefits* that are planned if you receive a Supporting Grant.

Grants are not made on a rand for rand basis, but relate to mutual benefit as outlined in the application.

#### **2. Funding Cycles**

Executive committee meetings take place every 6 – 8 weeks.

#### **3. Submitting your application to BASA**

The arts organisation's representative submits all sections of the application form, including any additional information required. They must ensure that BASA receives the application *at least twelve weeks* before the start of the sponsored project. Remember to keep a copy of your application.

**Start date** refers to the date on which any publicity campaign or promotional material relevant to the sponsored programme is due to appear.

#### **4. Assessing your application**

Once we check that both organisations are eligible, we provisionally schedule your application for discussion at one of our executive committee meetings. BASA will, in the meantime, discuss details of your application with a representative of the sponsor and the recipient organisation. This is usually done by telephone.

#### **Making the decision**

Once we have all the information we need, we produce an internal report assessing your application. This is circulated to committee members prior to the meeting where your application is due to be considered. The application is discussed fully at the committee meeting and evaluated on its merits. The committee may approve grants of up to R50 000,00; any applications for amounts over R50 000,00 will be submitted to the board for consideration and approval. In each instance, a final decision will be made.

#### **5. Formal notification**

BASA telephones the arts organisation to give you the committee's or Board's decision. We also confirm the decision and the conditions of the grant in writing to both the arts organisation and sponsor/s.



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### **Successful applications**

If your application is approved, the money is paid directly to the arts organisation or individual. This happens shortly after any outstanding issues have been addressed, accounts are received (if required) and the sponsor has paid the arts organisation. We need confirmation that this has been done from the arts organisation's bank and, on occasion, from the sponsor.

The Supporting Grant Scheme must be credited as shown below. Our logo will be emailed or sent to you with our letter confirming your grant.

## **YOUR QUESTIONS ANSWERED**

This information sheet is intended to help you understand the Supporting Grant Scheme and should be read before completing the forms. It covers some of the common questions people have.

### **What is the difference between sponsorship and donation?**

Sponsorship is the payment of money by a business to an arts organisation for the purpose of promoting the business name, products and services or gaining other business benefits. A donation is a gift for which no return is intended or given.

### **What is the Supporting Grant Scheme for?**

The Supporting Grant Scheme aims to encourage and increase business sponsorship of the arts. It is designed as an incentive scheme for business sponsors, not as another source of public subsidy for arts organisations. For this reason, it is essential that the possibility of a grant from BASA be part of your negotiations with potential sponsors from the start, so that all opportunities may be discussed together with the sponsor. The scheme can be used by arts organisations as a sales tool to encourage new businesses to enter the sponsorship market, and existing sponsors to increase their commitment. *The viability of the sponsored project must not be dependent upon receiving the grant.*

### **Can BASA find me a sponsor?**

BASA will not undertake to find a sponsor for you, but it is possible that BASA might match your project with the expressed interests of one of our member companies.

### **Am I eligible to apply?**

All arts organisations or artists operating within South Africa may apply for a grant, provided that they already have direct or intended sponsorship from business. You will be asked to provide a detailed history of your organisation and/or background and, where appropriate, all details regarding your constitution and registration.

### **Is my sponsor eligible?**

Businesses trading or operating in South Africa, even if the head office is overseas, can apply under the Supporting Grant Scheme.

### **What additional benefits will I be able to offer my sponsor with the Supporting Grant money?**

The Supporting Grant Scheme is there to demonstrate that partnership with the arts can work for business. A sponsor would always want branding and other exposure around the event or programme. The grant enables you to offer your sponsor additional benefits such as extra marketing for the event, developing an education programme or extending the run, or crediting the business with sponsorship of another event – there are many options open to you and your sponsor for discussion. BASA can help you with ideas.



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### **Are all applications successful?**

Applications are assessed on merit: If they are late or incomplete, they may be declined.

### **Am I in time to apply?**

Applications must be received *at least twelve weeks before the start date of the sponsored project*. This means before the print deadlines, the public opening, or when business first receives a major sponsorship benefit, such as the start of a major publicity and promotional campaign.

## **RULES & REGULATIONS OF THE SCHEME**

1. If a grant is made, its completed application form and these rules will form a legally binding contract between you and BASA.
2. BASA can never guarantee to support a sponsorship. Grants are made at the discretion of the Chief Executive Officer, the Executive Committee and the Board. The Supporting Grant Scheme has an annual cash limit. We will guarantee, however, to review all applications submitted to us on time fairly, equally and on their full merit, within BASA's criteria.
3. Applications must be submitted to us at least twelve weeks before the start date of the sponsored project. This is print deadlines, the public opening or when the business first receives a major sponsorship benefit. The co-ordinator of an application involving a competition is advised to clarify the start date with BASA well in advance of submitting an application. *Retrospective grants can never be made.*
4. BASA must be satisfied with the eligibility, legal status and financial accountability of arts organisations and business sponsors who apply under the scheme. BASA's decision regarding eligibility for the scheme is final.
5. The Commissioner for the South African Revenue Service (SARS) has instructed BASA that all supporting grants made by BASA must be disclosed on IT3(a) certificates; where grants are paid to individuals, SARS will be seeking to tax the amounts received. BASA will supply copies of the IT3 (a) certificates to SARS, and SARS may cross check to ensure recipients of such grants have disclosed these.

### **A Eligibility of arts organisations**

6. To apply, you must be:
  - a. Not for profit entity. Organisations are requested to submit their Memorandum and Articles of Association or constitution with their application.
  - b. A public body such as arts councils, regional arts boards, educational establishments or local authority arts facilities who have received business sponsorship. BASA may ask for an external reference on the project
  - c. Conducting projects or annual programmes where monies are ring-fenced for its project or programme. We will ask for independent confirmation of this funding
  - d. Local or amateur arts or cultural organisation.
  - e. An individual artist where monies are ring-fenced ( please contact BASA if further clarification is needed in this regard)



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7. In the case of festivals or other events which may have non-arts elements, we can only consider the arts elements for a supporting grant.
8. Cash or in-kind sponsorship is eligible for supporting under the scheme. The following cannot be supported under the scheme, even if your organisation is eligible:
  - funding commissions of works of art to which the public will not have permanent, open access
  - corporate memberships/donations/film, television or video projects which are not guaranteed a public showing
  - food and drink
  - non-arts activities
  - payments for advertising outside a sponsorship agreement
  - payments made by sponsors to third parties to cover expenditure incurred by an arts organisation
  - payments of fees to agents, such as sponsorship consultants
  - payments of less than R500,00
  - private events which are not open to the general public

### **B Eligibility of business sponsors**

9. Arts, entertainment and leisure promoters, or other businesses that have a commercial interest in either an event or the promoter, whether directly or indirectly, are not eligible as sponsors under the scheme unless such sponsorship is over and above existing commercial relations, or this requirement is waived by BASA. Full disclosure of these relationships must be made to BASA, who will determine eligibility.
10. Sponsorship money must derive from the business sponsor's own funds. Money that has come to a business from a third party for the specific purpose of paying for the sponsorship will not be eligible for support under the scheme.
11. A business may choose to pay its sponsorship through a promotional agency (e.g. a sponsorship or public relations consultancy) working on its behalf. BASA will only support the sponsorship money finally paid to the arts organisation.
12. Recognised charities and their commercial arms are not eligible as sponsors, nor are organisations or agencies that receive 25% or more of their income in the form of core funding from South African public sources (e.g. national, provincial or local government). For these purposes 'core funding' is not intended to include income earned on a competitive basis, and at arms length, from the public bodies in question. Where businesses are in receipt of public funds but are nevertheless eligible for the scheme, we require relevant details and written confirmation from the business and from its sponsoring body (ie. its parent Department or other provider of public funding) to establish that the business in question is an eligible body under these provisions.
13. Different business units within a company may be considered eligible as sponsors in their own right. They will need to demonstrate three or more of the following:



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- separate, identifiable budgets
  - a separate decision-making management process ie. separate personnel
  - a separate business structure, such as a subsidiary, division or brand which is shown separately in the company's annual report or other literature
  - active promotion of a separate identity or function.
14. Trade associations or business clubs may apply if they are legally constituted as a business and the sponsorship actively promotes that business

### **Use of the Grant**

15. Grants are made on the basis that the money is used by an arts organisation to supply an *additional range of benefits* which would not otherwise be available to them or their sponsor. The grant money should be used to offer the stated benefits within six months of the sponsored event.
16. All applicants must give careful attention to these extra benefits and list them and their costs clearly on the application form. The food and drink element of corporate hospitality cannot be included, but the benefits may be items such as:
- additional marketing for the sponsorship
  - maximum publicity and exposure for the sponsored event to a target audience
  - other activities of specific benefit to the sponsor e.g. workshops, complimentary tickets, related programmes, walkabouts etc.

We ask this as we wish all businesses to be attracted by and committed to sponsorship of the arts.

### **Crediting the Scheme**

17. The Supporting Grant Scheme must be credited correctly in all relevant material. BASA will send you conditions if a grant is made. Please do not credit the Scheme before your application is approved.

This is necessary as not only are the Supporting Grants from public money, but also we want others to be aware of the benefits of the Scheme. Failure to credit the Scheme satisfactorily may prejudice the decision about future applications.

### **Transfer of Grant Money**

18. Once the grant is approved, we will pay the money directly to the arts organisation as soon as we have received confirmation from the sponsors that they have paid their total sponsorship contribution.
19. Before paying a grant, we may require satisfactory accounting information.
20. If BASA makes a grant, the arts organisation is required to keep full and complete accounting records of the use of the grant, and may be required to provide an audited statement of the use of the grant. BASA shall be entitled to inspect all such records relating to the grant and the sponsorship.
- 21. BASA reserves the right to conduct an independent audit of the project, using an audit firm appointed at its sole discretion**



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### **Report-back**

22. All organisations receiving a Supporting Grant are required to provide a full and detailed report-back, which must include an accounting for all expenditure and income relating to the entire project or event. A reporting template is provided to all grant recipients. Without this, no further applications will be considered.
23. In addition, the report back must include a letter from a local reputable audit firm, confirming the following:
- The event did in fact occur
  - The funding was spent for the intended purpose
  - BASA and the commercial sponsors were properly acknowledged
  - The objectives of the project were met

### **Termination**

**24. BASA must be notified immediately in writing of any change to any contract or agreement.**

Any contract or agreement may be terminated immediately by BASA if:

- either the sponsor or the arts organisation enters into any arrangement for the benefit of its creditors or has a receiver or liquidator appointed over any of its assets
  - either the sponsor or the arts organisation goes into liquidation
  - either the sponsor or the arts organisation ceases, or threatens to cease, to carry on business or in the case of a sponsor, changes its status during the term of sponsorship which may affect its eligibility to participate in the Supporting Grant Scheme
  - we find that any information contained in the original application or any other information or representations made to BASA is misleading or inaccurate or that the grant, or any part of it, was not used for the purposes for which it was provided
  - we do not receive satisfactory confirmation that the sponsorship money has been paid to the arts organisation.
25. On termination of any contract or agreement either for any of the above reasons or due to any breach of the rules we shall be entitled in our absolute discretion to require the repayment of some or all the grant monies. The arts organisation and business sponsor will be jointly and severally responsible for the return of all funds.
26. Any arts organisation or business sponsor who is knowingly involved in arrangements designed to secure a grant under the Supporting Grant Scheme contrary to the rules or the objectives of the Scheme will be disqualified from participating in the Scheme at BASA's absolute discretion.

BASA reserves the right to change these rules at any time.