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# New Arts Sponsorship Grants 2012-2013

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Funded by the Scottish Government  
and administered by Arts & Business  
Scotland

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Administered in partnership with Creative Scotland



# New Arts Sponsorship Grants

## Introduction

The Scottish Government Department of Culture has made funding available to Arts & Business Scotland to encourage new business sponsorship of the arts within Scotland.

The scheme is simple. The arts organisation receiving an eligible business sponsorship gets £1 of funding for every £1 of sponsorship. This funding goes towards additional activity, for which the sponsor receives equivalent benefits. The maximum grant is £40,000 and the minimum grant is £1,000. Both in-kind and cash sponsorship are eligible.

‘Sponsorship’ is defined as the payment to an arts organisation by a business in exchange for agreed benefits such as promotion of the business’ name, its products or services. Sponsorship is part of a business’ general promotional expenditure. It can encompass a sense of corporate social responsibility (CSR) or staff development.

## Aims

New Arts Sponsorship Grants aim to:

- Increase the number of businesses sponsoring the arts in Scotland.
- Encourage cultural organisations to approach businesses that have not sponsored the arts before, or have not sponsored for at least three years.
- Attract non-Scottish based companies to sponsor arts activities in Scotland.

## Application Guidelines

Eligible sponsorships can apply for a £1 for £1 matching grant. The maximum grant is £40,000 and the minimum grant is £1,000.

Sponsorship can be cash and/or in kind-support.<sup>1</sup>

Sponsorship can be for arts activity or capital.

The sponsorship must come from the sponsor’s own funds, goods or services.

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<sup>1</sup> For guidance on in kind sponsorship please see below.

Arts & Business Scotland will require a hard copy of the sponsorship contract, or letter of agreement, signed by both partners as part of the application.<sup>2</sup>

The application must be made BEFORE the sponsored activity has started and must be made at least two months in advance of the proposed grant funded activity (in some cases this may be the same as the original sponsored activity). We will not match sponsorships retrospectively.

## Guidelines for Sponsorship In-kind

The sponsorship that Arts & Business Scotland will match can be cash or in kind, and must be being provided in order to receive benefits from the arts partner.

Where all or part of the sponsorship is in kind, Arts & Business Scotland must be satisfied that:

- The business partner is receiving satisfactory benefits from the arts partner to the value of the sponsorship in kind. Arts & Business Scotland requires a copy of the sponsorship contract, or letter of agreement, signed by both partners as part of the Application.
- The sponsorship in kind is of the value stated. Arts & Business Scotland reserves the right to ask for satisfactory evidence to substantiate the estimated financial contribution.
- VAT has been charged by the arts partner (where they are VAT registered) on the market value of the goods and services provided as sponsorship in kind. Arts & Business Scotland reserves the right to ask for satisfactory evidence of this.

Volunteering of staff time or provision of business premises for meetings will not be considered eligible as in-kind support.

If Arts & Business Scotland is not satisfied that the business' contribution can be considered sponsorship in-kind, it reserves the right not to make a grant.

If you need more information about sponsorship in-kind contact us on 0131 556 3353.

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<sup>2</sup> The *Arts & Business Scotland Fundraising Toolkit* is available to download free of charge on the Arts & Business Scotland website in the 'arts' section and contains guidance on making formal partnership agreements, including a sample letter of agreement and sponsorship contract.

## Rules

### The Business Applicant

The business must be sponsoring the arts in Scotland for the first time OR must not have sponsored the arts in Scotland since 1 April 2009.

The business need not be based in Scotland.

Clearly differentiated business units within a company may be considered as separate sponsors in their own right and so be eligible for a grant.

The business sponsor and the arts applicant must be separate legal entities.

Public bodies are eligible if their support is clearly arts sponsorship and support of the arts is outwith the organisation's normal sphere of activity.

No business or business unit can have more than £40,000 of sponsorship matched in any one year from this fund.

If a business meets the criteria it can make more than one application against its eligible sponsorships within one year of the first grant application.

The arts activity must not be primarily for the sponsor's own commercial benefit.

### **We will not match the following:**

- Sponsorship (cash or in kind) of less than £1,000
- Corporate donations
- Appeal funding (unless the business is receiving clear sponsorship benefits)
- Corporate memberships
- Grants or charitable donations from a trust or foundation funded by the profits from a business
- Payments for advertising outside a sponsorship agreement
- Volunteering of staff time
- Use of business premises for meetings
- Payments or fees to agents, such as sponsorship consultants

## The Arts Applicant

'Arts' includes the performing arts, literature, music, visual arts and crafts, museums, heritage, architecture, film and TV.

Any organisation can apply as the arts applicant if they are providing arts activity.

Applicants can apply for more than one grant in the year if the sponsorship is eligible. However, no single arts organisation can receive New Arts Sponsorship grants totalling more than £40,000 in any one year.

Where there is more than one business sponsor for the same arts activity, an application can be made for each sponsorship as long as each business is eligible.

The arts applicant and the business sponsor must be separate legal entities.

## The Grant

The grant should be used to deliver arts activity for which the business will receive additional sponsorship benefits to the value of the grant.

'Arts activity' can include the purchase of equipment or staffing resource, but not building costs. Therefore, while a capital sponsorship is eligible as the basis of an application, the grant cannot be used towards building or renovation costs.

The sponsor should receive additional sponsorship benefits equivalent to the level of grant for no additional payment, and these should be detailed in the application form.

There is no obligation on the business to contribute further sponsorship towards activity being supported by the grant.

Any activity supported by the grant must start within six months of the date of the offer of funding.

As the scheme is administered on an annual basis, we are only able to match fund one year of an eligible sponsorship, even if the sponsorship agreement with the business is over two or more years.

The grant can only be paid to the arts applicant.

The grant cannot go back to the business sponsor or be used to pay the business sponsor for goods or services.

A grant cannot be used to pay for food and drink as part of a corporate hospitality event.

Where only part of the activity is arts, then any grant will be in direct proportion to the arts element.

Sponsorship is normally liable for VAT. Any grant will match the sponsorship exclusive of VAT.

90% of the grant will be paid on receipt of a signed agreement. 10% will be paid on completion of the project and receipt of an evaluation.

We cannot guarantee to give a grant. Grants are made at the discretion of Arts & Business Scotland. The scheme has an annual cash limit.

## Priorities

The Government is keen to see a spread of the funding geographically. As on the evidence of previous schemes if there is more demand than can be met through available funds we may prioritise applications.

We will give priority to:

- Smaller businesses sponsoring for the first time
- Smaller arts organisations with little or no previous success in gaining sponsorship

We will give low priority to:

- Arts organisations that received significant funding through previous Arts & Business grant schemes
- In kind sponsorship to arts organisations that have a track record in obtaining sponsorship

## Application Process

Applications must be made on the New Arts Sponsorship Grants application form which is available to download from the Scotland section of the Arts & Business Scotland website.

The completed application must be signed by both the arts applicant and the business sponsor and be sent by post with a signed sponsorship agreement (and a copy of the arts applicant's Child Protection Policy if relevant) to:

**Katrina Holmes**

Arts & Business Scotland  
11 Abercromby Place  
Edinburgh EH3 6LB.

An email copy of the application should also be sent to: [grants@aandbscotland.org.uk](mailto:grants@aandbscotland.org.uk).

Arts & Business Scotland will take an application at any time. There are no closing dates. Applications will be assessed as they are received and a decision will usually be given within 6 weeks.

The application can be made by either the arts or business partner, though both partners must agree and sign the application.

Arts & Business Scotland reserves the right to request proof of payment of the matched sponsorship or delivery of the sponsored services.

## Crediting

The Grant must be credited in relevant publicity material and press releases relating to the supported activity. Failure to do so may prevent a further grant being considered.

## Reporting

An evaluation form must be submitted by the arts applicant to Arts & Business Scotland within two calendar months of the end of the project to confirm appropriate use of the grant. The relevant form for this purpose can be downloaded from the Arts & Business Scotland website. If you are unsure which form to use, please contact us.

Failure to submit a satisfactory report will prevent the balance of the grant being paid, and may prevent a further grant being considered.

Arts & Business Scotland must be notified in advance of the starting and end dates of the activity being supported by the grant, and of any changes to these dates once a grant has been made.

## Termination

Without prejudice to any other rights it may have, Arts & Business Scotland shall be entitled to withdraw its offer of the grant immediately if:

- It discovers that any of the information given to it by either the arts or the business partner is inaccurate or misleading or the grant or any part of it was not used for the purposes for which it was provided.
- Either the business partner fails to pay the financial contribution (or any part of it) it has undertaken to pay, or fails to provide the in kind sponsorship (or any part of it) it has undertaken to provide.
- Either the business partner or the arts partner enters into any arrangement for the benefit of its creditors or has a receiver appointed over its assets or becomes subject to an administration order.
- Either the arts partner or the business partner goes into liquidation.
- Either the arts partner or the business partner ceases or threatens to cease trading.

## Effect of Termination

On termination, the arts organisation shall immediately repay any part of the grant not spent as at the date of termination and shall prepare a final statement of account to indicate how the grant has been spent as at the date of termination. Arts & Business Scotland may, at its sole discretion, require the repayment of all or part of the grant paid by Arts & Business Scotland to the arts organisation as at the date of termination. The arts organisation will be liable for the return of all funds.

## Changes to the Scheme

Arts & Business Scotland reserves the right to change these rules at any time. Any changes will be posted on our website: [www.aandbscotland.org.uk](http://www.aandbscotland.org.uk).

## Appeals

If an application is turned down for any reason other than insufficient funds, an applicant may appeal against the decision. Details about the appeals process can be obtained from Arts & Business Scotland.

### **Arts & Business Scotland**

11 Abercromby Place

Edinburgh

EH3 6LB

T: 0131 556 3353

E: [grants@aandbscotland.org.uk](mailto:grants@aandbscotland.org.uk)