

CULTURE & BUSINESS FUND SCOTLAND

COVID-19 RECOVERY & RENEWAL STRAND

1st March 2021 – 31st March 2024

**Application criteria, eligibility guidelines,
and terms & conditions**

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About the fund

Introduction

The Culture & Business Fund Scotland (the CBFS) is funded by the Scottish Government via Creative Scotland and managed by Arts & Business Scotland.

It acts as an incentive funding scheme to encourage and enable the development of creative partnerships across the arts, heritage, public and commercial sectors.

Normally, the CBFS only supports partnerships where the business or public sector body is investing in or sponsoring arts or heritage activity within Scotland for the first time, or if it has not done so in the previous two years.

CBFS also provided potential match-funding of business investment in or sponsorship of an arts or heritage organisation within Scotland for up to a three-year period, albeit with the CBFS providing 50% match funding against the business investment for Year Two and 25% match funding for Year Three.

Due to the significant impact of the COVID-19 pandemic, these, and other criteria for the fund are being temporarily altered to provide more flexible support to assist organisations and businesses through the recovery and renewal period, during and after the pandemic.

These changes to the criteria and guidelines are effective from 1st March 2021 and terms and conditions will not be backdated. Only applications received on or after this date will be assessed within these criteria and guidelines. The revised criteria and guidelines will be applicable for applications received before 31st March 2024.

As stated above, this recovery and renewal support is likely to be available for approximately 3 years. A final deadline notice will be issued via our website www.culturebusinessfund.scot

The aims remain the same, which are to:

- support arts and heritage organisations and businesses to build new or cement existing cross-sector partnerships;
- entice new businesses to sponsor or invest in arts or heritage activities in Scotland;
- encourage and enable businesses already sponsoring or investing in arts or heritage activities to continue to do so with existing and / or new culture sector partners;
- support existing cross-sector partnerships to enable and encourage them to continue to work together;
- attract non-Scottish based companies to sponsor arts and heritage activities in Scotland; and
- encourage and support businesses to continue to invest in or sponsor the activities of an arts or heritage organisation within Scotland over a two or three-year period.

What has not changed about the CBFS

The Definition of sponsorship

'Sponsorship' is defined as the payment of funds or goods in kind by a business to an arts or heritage organisation in exchange for agreed benefits. These benefits might comprise promotion of the business's name, its products or services. The sponsorship must be part of the business's general promotional expenditure and can address the business's promotional work, corporate social responsibility (CSR) work and/or staff development.

How it works

CBFS match funding is simple:

- if an arts or heritage organisation attracts an eligible business to sponsor or invest in an aspect of their work, then the CBFS could match the value of the sponsorship £ for £;
- CBFS match funding can go towards the sponsored project or indeed a separate aspect of the arts or heritage organisations activities;
- the arts or heritage organisation must then provide the business with additional benefits relating to the CBFS funded activity;
- the maximum match funding that the CBFS can provide is £40,000 and the minimum is £1,000;
- both in-kind and cash sponsorship are eligible for CBFS match funding (for guidelines on in-kind sponsorship please see page 8);
- the sponsorship must come from the business's own funds, goods or services;
- if there is more than one business sponsoring the same arts or heritage activity, a separate application may be made for each business.

What is different about the CBFS COVID-19 Recovery & Renewal strand

Supporting projects with existing as well as returning or new business sponsors

Originally, the fund was conceived to attract businesses to sponsor arts or heritage activities for the first time, or to support businesses who had sponsored activities previously and were now interested in returning to this market opportunity after a period of two years or more.

Whilst this has enabled arts and heritage organisations to attract new investment, the ramifications of the COVID-19 pandemic has made it more difficult for those organisations to proactively attract and secure new business partnerships.

To help enable the continuation of business investment in cultural activities during this recovery and renewal period, the **CBFS will now also consider applications** to match fund partnerships with businesses who:

- Are **existing partners, supporters or sponsors of the arts or heritage organisation applicant**;
- Are **existing partners, supporters or sponsors of other arts or heritage organisations**, but wish to expand their partnership with the arts or heritage organisation applicant;
- Have **previously been a partner, supporter or sponsor** of any arts or heritage organisations or cultural project.

Increased match funding for multiple year sponsorships

Originally, the fund was also conceived to enable arts and heritage organisations to develop deeper and longer lasting partnerships with businesses, by potentially match funding relationships over up to a three-year period. If the arts or heritage organisation secured a commitment from the business for sponsorship in one or two subsequent years, this would have been considered for follow-on funding, with 50% match funding against the business investment for Year Two and 25% match funding for Year Three.

Whilst this has enabled arts and heritage organisations to develop longer-term partnerships and relationships with businesses, the ramifications of the COVID-19 pandemic has made it more difficult for businesses to justify the continuation of existing partnerships with arts or heritage organisations.

Under the original criteria, the match funding from CBFS decreases in year 2 and year 3, which reduces year on year the potential overall value of and return on business investment.

As businesses have to carefully consider how they invest reduced resources due to the current pandemic, we wish to ensure that the CBFS continues to be a viable and attract proposition for that investment.

To maximise this continuation of business investment in cultural activities during this recovery and renewal period, the **CBFS will now also consider applications to potentially match fund partnerships with businesses over up to a three-year period**, whereby the match funding against the business investment for Year Two and Year Three will **continue to be £ for £** (and not on a decreasing scale as in the original CBFS conditions).

The ability of the CBFS to match fund existing as well as returning or new business sponsors, and provide increased match funding for multiple year sponsorships is dependent on:

- available funds ^{*};
- a renewed, successful application for year 2 or year 3; and
- the relevant evaluation forms and certified financial statements being completed by year 2 or year 3 applicants and approved by Arts & Business Scotland. (See **4: Reporting and Evaluation.**)

^{*} Should funds be limited due to increased number of applications, then priority will be given to arts or heritage organisations who have not previously received support from the CBFS.

1: Application criteria and eligibility guidelines

Who can apply?

Arts or heritage applicants

The definition of arts includes:

Animation | Art & Health | Combined Arts | Craft | Dance | Design | Fashion | Festivals (including youth, community, film, general, literature, military, music, ethnic) | Film & TV | Galleries | Literature Music | Street Arts | Theatre | Visual Arts

The definition of heritage includes:

Archaeology | Archives & Collections | Community Heritage | Historic Buildings & Monuments | Industrial, Maritime & Transport | Intangible Heritage (such as stories, traditions and concepts) | Land & Biodiversity (including urban green spaces and parks) | Libraries | Museums

Eligible

Any not-for-profit arts or heritage organisation (as defined above) registered and based in Scotland can apply as the lead applicant. This includes (but is not limited to) registered charities, SCIOs, CICs and social enterprises.

Unincorporated arts and heritage organisations may also be eligible for CBFS funding.

Cultural trusts and local authorities that have a remit for cultural delivery are eligible to apply.

Any non-arts or non-heritage not-for-profit organisations based in Scotland may apply, if the sponsored and CBFS match funded activities are arts or heritage related.

The applying organisation must be properly constituted and hold a company bank account.

Ineligible

Applications cannot be made by individuals, however, if individual artists or creatives have a concept for a potential CBFS match funded activity, they can work in partnership with a not-for-profit arts or heritage organisation, who can act as the lead applicant.

Profit-making arts and heritage businesses (i.e. private limited companies) are not eligible.

Local authorities that do not have a remit for cultural delivery are also ineligible.

Business sponsors

Eligible

Any business supporting cultural activity could be eligible for CBFS match funding, even if not based in Scotland.

Businesses who are new to sponsoring arts or heritage activity, and those who have sponsored previously are eligible.

Clearly differentiated business units within a parent company may also be eligible.

Some public bodies may be eligible as a business sponsor, if support of cultural delivery is out with the organisation's normal sphere of activity.

Ineligible

Public bodies (including public body trading companies) that support or have a remit for cultural delivery are ineligible as the business sponsor, for example, universities and trusts and foundations are not eligible as business sponsors.

Local authorities cannot apply as a business sponsor.

The arts or heritage organisation and the business sponsor must be separate legal entities.

If you have a query on eligibility, please call **0131 556 3353** or email **grants@aandbScotland.org.uk**

How much can you apply for?

An arts or heritage organisation can receive CBFS match funding up to the value of £40,000 in any one financial year. The year runs from 1 April to 31 March.

Applicants can make multiple applications in the same financial year with different business sponsors, providing the total sum applied for is £40,000 or under.

Year Two and Year Three applications

The CBFS can accept applications for sponsorship agreements that support a longer-term commitment over two or three years. Follow-on applications will be considered if Year One or Year Two funded activities have been successfully completed and the evaluation of the project has been approved.

As per first-time applications, Year Two and Year Three applications must meet the criteria details outlined in this document. If successful, the **CBFS will award Year Two and Year Three applicants a £ for £ match against the sponsorship fee** for the duration of time that the COVID-19 RECOVERY & RENEWAL STRAND of the fund is in place.

International arts or heritage projects

CBFS match-funded arts or heritage activities must take place within Scotland. The related business sponsorship activities could, however, take place outwith Scotland, in other parts of the UK or internationally.

Eligible and ineligible activities

For the majority of CBFS supported projects, it is likely that the sponsorship and match funding will go towards the same arts or heritage activity.

However, the CBFS can support applications whereby the sponsorship and match-funded activities are different. For example, two separate seasons of work, two different productions or exhibitions, or two different performances or public presentations would be eligible for consideration.

Please note

Any arts or heritage activities, sponsored or CBFS match funded, must not be primarily for the sponsor's own financial and/or commercial benefit.

Arts or heritage activity supported by the CBFS can include the purchase of equipment or additional staffing resource, to enable realisation of the cultural activity.

CBFS match funding cannot be used for a capital project. However, the CBFS can match fund business sponsorship of building or renovation costs, if the matching CBFS funds are used for arts or heritage activities directly engaging with the public.

CBFS match funding cannot:

- be paid to the business sponsor or be used to pay or reimburse the business sponsor for goods or services;
- be used to match sponsorships from alcohol related businesses for projects that directly engage with young people or children as a target audience;
- be used to match sponsorships from tobacco related businesses;
- be used to pay for corporate hospitality;
- be used to support commercial trading activities such as attending trade fairs and promotional sales pavilions; or
- be paid to any other organisation other than the arts or heritage applicant.

CBFS also cannot match fund the following:

- corporate donations;
- appeal funding;
- corporate partnerships;
- grants or charitable donations from a trust or foundation;
- volunteering of business staff (non-professional skills) to support arts or heritage activities;
- use of business premises for meetings;
- payments or fees to agents, such as sponsorship and fundraising consultants; or
- discounts on goods or services, including free rent for a period of time as part of a lease agreement and free venue hire where the business will gain financially from exclusive catering, alcohol or retail sales.

The CBFS may support projects sponsored by existing business service providers of arts or heritage organisations. When this is the case, the CBFS will require proof that a legitimately separate sponsorship agreement outwith any existing contracted work is in place.

Guidelines for sponsorship in kind

The CBFS can match in-kind sponsorship of arts or heritage activities (cost price).

Where all or part of the sponsorship is in kind, the following conditions must be satisfied:

- the in-kind sponsorship is in the form of goods or services the business normally provides;
- the value of the goods provided is at cost price and not retail;
- the CBFS reserves the right to ask for evidence to substantiate this estimated financial contribution;
- the CBFS will require evidence that goods have been delivered up to the agreed value;
- any goods or services that the business does not provide as a part of its operations will not be eligible.

VAT

Sponsorship is a business transaction for which the business receives an equivalent value of benefits in return from the arts or heritage organisation and is therefore normally liable for VAT.

Arts or heritage organisations that are VAT registered must therefore charge VAT on the value of the sponsorship.

Please note

The CBFS can only match the sponsorship value exclusive of VAT.

For in-kind sponsorships, VAT should also be charged by the arts or heritage organisation (where they are VAT registered) on the goods or services provided by the business.

Priorities

A key priority of the CBFS is to reach and support projects across the breadth of Scotland and across all arts and heritage forms as outlined in the definitions given on page 6. If demand exceeds available funds, the CBFS reserves the right to prioritise applications to address this.

Please note

As an annual rolling programme, the CBFS has a restricted budget from which to make eligible awards and as such cannot guarantee it has the necessary resources to provide match funding.

In the event of high demand for the limited funds available, the CBFS will give priority to:

- businesses sponsoring for the first time; and
- arts or heritage organisations with little or no previous success in gaining sponsorship.

In the event of high demand for limited funds available, the CBFS will give lower priority to:

- arts or heritage organisations that have previously received significant CBFS funding.

2. Applying to the Culture & Business Fund Scotland

Pre-application support

Arts & Business Scotland can only provide limited pre-application assistance with queries in relation to the guidelines and the eligibility of a proposed business sponsor, however, the CBFS website contains a number of useful case studies, tips and advice to assist potential applicants. Please visit: www.culturebusinessfund.scot

Online application process

Applications should be completed and submitted online via www.culturebusinessfund.scot. The form may be downloaded to view in advance and can be completed in the numbered stages. Applicants can set up their organisation's profile and log in, which will only be accessible to them and other work colleagues as required.

Please note

At the last stage of completing the application form, applicants must attach:

- the Declaration, signed and dated by both parties;
- a signed and dated sponsorship agreement;
- a budget showing all income and expenditure; and
- the arts or heritage organisation's child protection and/or vulnerable adults policy, if the sponsored and funded activities involve children, young people and/or vulnerable adults.

The assessment process can only commence on receipt of all of the above.

Submission deadline dates

Completed applications for match funding of over £3,000 must be submitted at least **3 months** before but no more than **9 months** before the sponsored activity and proposed match-funded activity begin.

However, fast-track applications for match funding valued between £1,000 and £3,000 may be submitted and considered **2 months** before the start date of sponsored and match-funded activities.

Project start and end dates

Arts & Business Scotland must be notified in advance of the start and end dates of the activities being supported by the sponsorship and match funding, and thereafter of any changes to these dates once match funding has been provided.

The accepted start date of the activities being sponsored and match funded will be the earlier of the two start dates, if different activities are being supported by the sponsor and the CBFS.

The accepted end date of the activities being sponsored and match funded will be the later of the two end dates, if different activities are being supported by the sponsor and the CBFS.

It is important to note that the start date for the sponsorship and match-funded activity could be when project development work commences or when the business begins to receive some of the sponsorship benefits rather than the actual date of the arts or heritage proposed activity.

Application forms

There are two application forms:

- 1 A fast-track application form for match funding of between £1,000 and £3,000 (excluding VAT)
- 2 An application form for match funding of over £3,000 and up to £40,000 (excluding VAT)

For applications of between £1,000 and £3,000 (excluding VAT) the arts or heritage applicant must clearly detail how the business sponsor and the CBFS will be jointly promoted and credited, highlighting any additional benefits made possible by the match funding.

For applications between £3,000 and £40,000 (excluding VAT) the arts or heritage applicant must provide a detailed list of additional benefits the business sponsor will receive in return, against CBFS match-funded activities. They must also detail how the business sponsor and the CBFS will be jointly promoted and credited.

Application assessment timeline

Applications can be made at any time. There are no deadlines or closing dates. Applications will be assessed as they are received, with a decision made and communicated no longer than six weeks from the date of receipt of the fully completed application.

This timeline is dependent on applicants providing satisfactory responses to any queries from Arts & Business Scotland as part of the assessment process. A delay in responding to any queries may delay the assessment process beyond the six-week period. In a worst-case scenario, extended delays may render the application ineligible in relation to the project start date.

3. Terms & conditions on receiving match funding

Receiving match funding

- CBFS match funding must be used for the purposes stated in the submitted application.
- Any changes to the original application must be approved by Arts & Business Scotland.

Please also refer to 'Termination' in **4. Reporting and evaluation**.

Announcing and crediting the CBFS

- Successful applicants will receive details on how to publicly acknowledge CBFS funding. This includes an introduction to the CBFS press & media company, who will work with the applicants to widely promote the business and cultural organisation partnership and the CBFS.
- The CBFS must be credited in all relevant publicity material, press releases and public presentations relating to the sponsorship and funding-supported activities. These must be received for approval by Arts & Business Scotland no less than 48 hours in advance of issuing.
- The CBFS logo will be provided once funding has been offered. This logo must be featured next to the business sponsor's logo(s) on all related information, and on marketing and publicity materials, while adhering to CBFS brand guidelines.
- The business sponsor will also receive a business-related CBFS logo to acknowledge their sponsorship of the cultural project.
- Arts & Business Scotland should be invited to launches, openings or associated events relating to the sponsorship and CBFS match funding, to provide engagement opportunities with the business sponsor.
- Failure to comply with any of the above may preclude recipients from being considered for subsequent funding.

Payment of CBFS match funding

Cash sponsorships

CBFS funding will be paid in two instalments: 80% on evidence that business sponsorship has been paid and 20% upon receipt and approval of the funded project evaluation.

Evidence of the sponsorship payment should consist of a copy of the arts or heritage organisation's bank statement clearly showing the date(s), amount(s) and source(s) of payment.

If the business is paying in multiple instalments, the first 80% funding instalment will only be made once the full sponsorship has been received by the arts or heritage organisation.

All payments must be made directly to the arts or heritage applicant, not to a third party.

In-kind sponsorships

When sponsorship is in kind, the initial 80% instalment will be paid on receipt of a letter signed by the Chief Executive, Director or Chair of the business sponsor, providing a detailed cost breakdown of the in-kind sponsorship and dates for delivery.

On completion of the sponsorship and CBFS funded activities, evidence that the in-kind sponsorship was delivered will be required. This will require a further letter from the business and additional evidence detailing that in-kind goods have been received by the arts or heritage organisation.

Appropriately signed and dated delivery notes may also be requested before releasing the final 20% instalment.

For arts or heritage applicants receiving international in-kind goods, appropriate shipping documentation and customs papers must be provided before any payment can be made.

It should be noted that in the case of in-kind sponsorships, the equivalent monetary value applied for should be calculated at cost price to the sponsor and not retail or trading price.

5. Reporting and evaluation

Evaluation approval

The balance of 20% of the CBFS funding will be paid upon receipt and approval of a project evaluation.

An evaluation form and certified financial statement must be submitted by the arts or heritage applicant to Arts & Business Scotland within two calendar months of the end of the project to confirm appropriate use of the sponsorship and match funding.

The evaluation form is available to download from the A&BS website:

<https://www.aandbscotland.org.uk/project-evaluation-forms/>

If the evaluation is not received within two calendar months, Arts & Business Scotland reserves the right to withhold the final 20% payment.

The certified income/expenditure financial statement must be signed and dated by two people, the most senior member of staff/Director/Chair and the project co-ordinator. This is required to confirm that CBFS funding and sponsor's money have been used in the way specified in the application.

If the actual spend is less than the original agreed budget, then Arts & Business Scotland reserves the right to withhold the final payment or demand the return of the relevant portion of payments made to date through CBFS as appropriate.

If the business sponsor fails to comply with the delivery of the in-kind sponsorship, then the arts or heritage applicant will have to return all CBFS monies received, that were not matched by the sponsor.

Evidence and documentation of the project, including photographs, press cuttings, CDs etc should accompany the evaluation. Where appropriate, recipients should provide copyright clearance from the producers of this documentation.

Arts & Business Scotland reserves the right to request further information or a phone interview with both partners following review of the submitted evaluation.

Arts & Business Scotland reserves the right to share exemplar business, and cultural partnerships and sponsorship stories and case studies through the Arts & Business Scotland website, training seminars, the CBFS website and promotional materials.

Failure to comply with the above may prevent further CBFS applications being considered.

Termination

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

- any of the information given by the arts or heritage organisation or business is inaccurate or misleading or if the match funding awarded (or any part of it) was not used for the purposes for which it was provided;
- the business 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 or the arts or heritage organisation 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 or heritage organisation or the business goes into liquidation; or
- either the arts or heritage organisation or the business ceases or threatens to cease trading.

Effect of termination

Arts & Business Scotland may, at its sole discretion, require the repayment of all or part of the CBFS funding paid to the arts or heritage organisation as at the date of termination. The arts or heritage organisation will be liable for the return of all funds.

Post evaluation approval issues

Should Arts & Business Scotland receive information, post evaluation approval, that indicates financial irregularities, or that the CBFS match funding has not been used as originally stated, then Arts & Business Scotland may, at its sole discretion, require the repayment of all or part of CBFS funding.

Changes to the fund

Arts & Business Scotland reserves the right to amend CBFS guidelines, criteria and application process. Revised or updated documents will be posted on the CBFS website: www.culturebusinessfund.scot

It is therefore advisable that previous CBFS recipients or applicants check the website to ensure they have the latest versions of these guiding documents before proceeding with an application.

Appeals

If a CBFS application is turned down for any reason other than insufficient funds, an applicant may appeal against the decision in writing within 14 days of the date of being informed of this decision.

An independent panel consisting of a member of the Senior Management Team of Arts & Business Scotland who was not involved in the assessment process and a member of Arts & Business Scotland Board of Trustees, will consider the appeal and respond within 21 days of receiving the letter or email.

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