

# Small to Medium Organisations Program 2010 Annual funding guidelines



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Cover image: Christina Khumari, *Navigating Time*, Swell Sculpture Festival 2008. Photo: Ruth Della

# Foreword

Welcome to the s2m program, an initiative my Government is funding encouraging renewal and rejuvenation within our State's arts and cultural sector.

The Queensland Arts Industry Sector Development Plan 2007–2009, developed by the State Government in consultation with Queensland's arts sector, has been a catalyst for positive change to our cultural landscape over the past two years.

Closely aligned with the plan is the s2m program, which was introduced in 2007 and today is an integral part of my Government's reforms to provide Queenslanders with a richer, more vibrant cultural life.

As well as fostering a healthy ecology of arts organisations and creating employment for our talented artists, the program seeks to increase the number of quality cultural experiences on offer and Queenslanders' participation in them, especially young people and people living in regional communities.

The s2m program supports small and medium arts and cultural organisations with high artistic standards that are actively pursuing new market and business opportunities and raising Queensland's creative profile locally, nationally and internationally.

Three categories of funding are available: triennial and annual rolling (neither offered in 2010) and annual.

We expect this year's application process for the 2010 annual program to be as competitive as previous years. Along with creativity, sound management and good governance, successful organisations will boast productive partnerships that improve their long term sustainability. So as you plan for your future, nurture relationships which play to your artistic strengths and generate new sources of income.

Today, I encourage arts organisations to take up the challenge. Become valuable contributors to the health and vitality of the arts and cultural sector in Queensland.

Anna Bligh MP  
Premier of Queensland and  
Minister for the Arts

# Help for s2m Annual funding applicants

Please read these guidelines and the application form carefully before you begin preparing your proposal. The guidelines explain the s2m Annual funding program, how to check your eligibility, the selection criteria, assessment processes and other essential information that will help you to complete your application. (Please note the next round of s2m Triennial funding will be offered in 2010 for 2011–2013.)

## Essential steps to take before you apply

1. Determine if this program best suits your organisation and proposal.
2. Confirm that you are eligible to apply.
3. Clarify how your program of activities fits with the overall selection criteria and focus areas for 2010.

For information or advice, it is recommended that all applicants contact Arts Queensland and ask to speak with the relevant Client Contact Officer for your artform area before submitting your application.

## Translating and interpreting services

If you have difficulty understanding this information or need advice and would feel more comfortable discussing it 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

Further information about the program, including guidelines and application forms, can be obtained by:

- visiting the Arts Queensland website [www.arts.qld.gov.au](http://www.arts.qld.gov.au)
- phoning (07) 3224 4896 or toll free 1800 175 531
- emailing [info@arts.qld.gov.au](mailto:info@arts.qld.gov.au)
- visiting Arts Queensland reception at Level 16, 111 George Street, Brisbane, QLD 4000

# General eligibility

## Who can apply?

Arts Queensland welcomes applications from

- not-for-profit, non-government organisations that are either an incorporated association or a company and
- organisations auspiced by a Queensland organisation that is registered under law.

Eligible organisations are required to demonstrate that they undertake artistic or cultural activities as their main business and have a track record of artistic achievement, sound management and financial accountability.

All eligible organisations are required to satisfactorily acquit any overdue Arts Queensland grants before receiving Annual funding.

# About the s2m program

The s2m program provides funding towards the core operations of a wide range of small to medium arts and cultural organisations recognised as industry leaders in their chosen fields.

Through the Queensland Arts Industry Sector Development Plan 2007–09 (Sector Plan), the Queensland government has created a more competitive funding environment aimed at maximising the cultural, social and economic benefits to Queensland.

To assist your understanding of the government's current strategic priorities and goals, the Sector Plan can be downloaded from Arts Queensland's website or requested in hard copy form. There are separate plans for:

- Creative Communities
- Dance and Music
- Theatre, Writing and New Media and
- Visual Arts, Craft and Design

## What are the Critical Success Factors for receiving funding?

To be competitive within the s2m program, your organisation needs to be constantly evolving to maintain your vitality, viability, flexibility and relevance. Some of the critical success factors which will impact on funding decisions include:

- your capacity for innovation and continuous improvement
- your contribution to the development of your artform and the artists you support
- your ability to leverage other sources of government and non-government funding
- your commitment to expanding your reach and depth of engagement with the community or your sector and
- your responsiveness to government priorities

You will find these critical success factors are strongly reflected in the selection criteria.

# About the funding categories

The s2m program has three funding categories – Triennial, Annual Rolling and Annual. Only Annual funding will be offered in 2010 to ensure the term of all agreements is aligned with the current triennium (2008–10). If you are unsuccessful this round, you may be eligible to apply for Arts Queensland’s Sector Project Grants. The table below provides a useful summary of Arts Queensland funding available to the small to medium sector since its inception in 2008.

Program	2008	2009	2010
s2m Triennial and Annual Rolling applications accepted	No	No	Yes – Triennial for 2011–2013
s2m Annual applications accepted	Yes – for 2009	Yes – for 2010	Yes – for 2011
Sector Project Grant applications accepted	Yes	Yes – second round closes 31 August	Yes

Applicants are advised that:

- your organisation may be in receipt of only one of the above grants at any one time (you may complete and acquit any previously awarded grants) and
- any organisation which received Triennial funding in 2008 is unable to apply for funding increases through this program.

For additional information about any of these programs, please check the Arts Queensland website or contact your Client Contact Officer.

# About the s2m Annual funding category

<b>Annual funding:</b>	\$50 000 minimum per annum
<b>Closing date:</b>	30 July 2009
<b>Decisions advised:</b>	early November 2009
<b>For funding from:</b>	1 January 2010
<b>Next round:</b>	2010 for 2011 funding (subject to funding availability)

The Annual funding category provides one-year operational funding to small to medium arts and cultural organisations, including service, producer, presenter and cultural development organisations, or any combination of these types of organisations.

## About funding availability

Funding is offered on a competitive basis from available resources. Applicants need to be aware that while each application is assessed individually against the selection criteria, there is also a moderation process to achieve a balance within and across artforms, geographical regions, audiences/participants, Sector Plan priorities and goals and within budget allocations.

This need for balance means that not all applicants that meet the criteria will necessarily be successful. Any organisation duplicating the activities and/or reach of a funded s2m organisation may be a lower priority. Given the level of funding available, **you are encouraged to be realistic in the amount of funding that you request.**

### Other sources of income

With Arts Queensland unable to provide 100 per cent of your program budget, you are required to seek a proportion of the proposed income from other sources which should continue to grow over time. These may include:

- financial or in-kind support from government and non-government funding sources
- earned income and
- income from sponsors or philanthropic organisations.

For details on other funding sources, please check the Arts Queensland website.

# What are the selection criteria?

In the first stage of the assessment process, your application will be assessed on evidence of how well it meets the following selection criteria:

- A capacity for innovation and continuous improvement in the artistic quality of your programs and services
- Good planning and effective use of resources, including an achievable annual operational plan covering artistic, marketing, operational improvement, financial and governance matters
- Contribution to the development of your artform and the artists you engage (established and emerging)
- Expanded reach and greater depth of engagement, evidenced by growth in your audiences or higher participation levels by industry or community groups with whom you work
- An ability to provide quality arts/ cultural education or engagement activities for children and young people
- Indication of level of funding from other sources leveraged using s2m grant, and/or evidence of capacity to develop strategic partnerships to secure such funding
- An ability to deliver against the relevant priorities and artform goals outlined in the Sector Plan (see relevant plan for your artform area)

## s2m focus areas for 2010

Many Sector Plan priorities and goals are already being addressed and will continue to be addressed through s2m and other Arts Queensland funding initiatives. We have however identified a number of gaps in the state's cultural infrastructure which are areas of focus for 2010.

The focus areas common to all four artform areas are:

- Quality programs and services by and for the Aboriginal and Torres Strait Islander and Culturally and Linguistically Diverse sectors
- Support for arts engagement of children and young people

There are also artform specific focus areas to which we hope the sector will respond:

- Creative Communities: Community engagement and participation; using arts and culture as a catalyst to foster a sense of identity, belonging, and build resilience; and organisational capacity building
- Dance and Music: Indigenous dance and music
- Theatre, Writing and New Media: Publishing, new media, presenters and support for new work
- Visual Arts Craft and Design: Writing and publishing, Artist-Run-Initiatives, international art strategies, craft and design

In developing your application, please demonstrate how your proposed program of activities is responding to the Sector Plan priorities and goals for your artform. Consider those that are a best fit for your organisation, and also your capacity to address any of the nominated focus areas for 2010.

# How are applications assessed?

After Arts Queensland receives your application it is checked and either registered for assessment or returned to you if it is ineligible or incomplete.

All eligible applications will be assessed in the first instance on how well they address the selection criteria, including the Sector Plan priorities and goals, and the focus areas for 2010 where relevant. In making its final funding decisions, however, the Government will consider the broader balance of organisations required for the development of the arts and cultural sector in Queensland.

Assessment and funding decisions are based on the information provided in your application including relevant support material.

Those making assessment decisions may also take into account information from the following sources, if available:

- Attendance at performances and/or other events
- Reviews, videos and recordings, referee reports and other material
- Any previous Arts Queensland funding acquittal reports you may have completed, including reporting against agreed Performance Indicators
- Communication with the Australia Council and other relevant funding bodies.

## The assessment process

Arts Queensland staff assess applications with input from industry experts.

- Step 1:** Eligible applications within each artform are shortlisted according to the selection criteria.
- Step 2:** Industry experts provide written referee reports for shortlisted applications using the selection criteria.
- Step 3:** Shortlisted applications are assessed, taking initial recommendations prepared within each artform and referee reports into consideration.
- Step 4:** Recommendations are moderated within budget allocations to achieve a balance within and across artforms, geographic locations, target audiences/ participants and Sector Plan priorities and goals. Comparative assessments for “like” organisations (e.g. festivals or service organisations) are also conducted across artform areas as required.
- Step 5:** Final recommendations are submitted through the Deputy Director-General, Arts Queensland, for final approval.

# What should you submit?

To be assessed, your application should include:

- Your completed Application Form (Template supplied)
- An Organisational Overview, including vision and organisational structure (No template supplied)
- Your Annual Program Plan and marketing Plan (Attachment 1)
- Quantitative Data Summary (Attachments 2–3)
- Budget – all income and expenditure (Attachments 4–6)
- Relevant Support Material (See application form for details)

You are also asked to provide up to date copies of the following documentation where relevant:

- Most current Annual report
- Audited financial statements
- Organisation's Articles of Association/Constitution
- Company Registration Certificate
- GST Certificate or exemption details.

## Current s2m Annual funding recipients

If you are already receiving s2m Annual funding for 2009, you must include evidence of your progress against your Program Plan, Performance Indicators and Budget to June 2009. This will be critical to the assessment of your 2010 application.

## Support material

Support material is an essential part of your application that allows Arts Queensland to gain a better understanding of your proposal. The application form provides a list of suggested support material. Even if you have received prior s2m funding, you need to respond.

Please ensure that you:

- Clearly label all support material with your name, address and clear details of artists and tracks/works.
- Do not send original material. Although Arts Queensland will take all reasonable steps to protect support material we cannot be held responsible for loss or damage.
- Do not staple or bind the written support material or send in plastic sleeves.
- Provide high-resolution digital format examples of your work and identify the software program so that your files can be opened easily.
- Only provide requested support material as additional material will not be considered.

**Please note that Arts Queensland is required to retain all support material supplied by successful applicants for audit purposes. If you are unsuccessful all your support material, apart from written material, will be returned at the end of the assessment process.**

## **How to lodge your application**

Please provide TWO hard copies of your completed application, including support material.

You will also need to EMAIL Arts Queensland a copy of your application, excluding printed or multi-media support material.

Arts Queensland must receive your application by the closing date. Late or incomplete applications will not be considered.

You can submit your application in person or by post to:

Arts Queensland	Arts Queensland
Level 16, 111 George Street	GPO Box 1436
Brisbane QLD 4000	Brisbane QLD 4001

**And** also email a copy of your application to: [info@arts.qld.gov.au](mailto:info@arts.qld.gov.au)

## **Notification**

Funding is highly competitive and there is no guarantee your application will be successful, even if it does meet the program requirements.

If your application is successful, you will be notified by mail and you will receive a letter from Arts Queensland offering you funding. You may not be offered the total amount of funding that you requested. In this instance Arts Queensland officers will ask successful applicants to provide an updated budget and program that will be negotiated prior to the funding agreement being finalised.

If your application is unsuccessful, Arts Queensland will notify you by mail. You may seek feedback on your application.

# Important information for successful applicants

If your application is successful, you will receive a funding agreement from Arts Queensland detailing your conditions of grant. It is your responsibility and that of the auspicing body, if applicable, to ensure that you understand your obligations under the funding agreement.

Successful applicants should advise Arts Queensland in writing about changes of address or other contact details to ensure that we can contact you easily.

## Funding agreement process

Arts Queensland will send you a letter of offer and two copies of the funding agreement.

The authorised signatories for the organisation and auspicing body, if applicable, should:

- sign and date both copies, and
- return them to Arts Queensland with any material requested to meet the conditions of grant and your payment details.

If all the conditions of grant are met, Arts Queensland will sign and return one copy to you.

## Payments

If you are offered Annual funding, the payment terms will be listed in the funding agreement. Unless otherwise stated in your agreement, you will receive your funding in two equal instalments throughout the year.

The first instalment will be sent once Arts Queensland has received the correct documentation with the signed funding agreement from you. All future instalments will be paid half-yearly for the term of the agreement, subject to any agreed milestones being met. You may be requested to submit half year reports to ensure your organisation is on track, well managed and responding to program priorities.

## Tax

Grants paid by Arts Queensland may be considered as part of your income in a financial year and may therefore be subject to tax. Under the tax system amendments introduced on 1 July 2000, grants paid to arts organisations and artists may be subject to the Goods and Services Tax (GST) and the Pay As You Go (PAYG) withholding tax.

Arts Queensland cannot give specialist advice about taxation or legal issues. Further information about the GST and other tax issues is available from the ATO's website at [www.ato.gov.au](http://www.ato.gov.au) or the Business tax enquiries line 13 28 66 or Personal tax enquiries line 13 28 61.

## Goods and services tax (GST)

If your organisation **has an Australian Business Number (ABN)** and **is registered for GST**, your grant will be grossed up by 10 per cent to cover the GST liability. Arts Queensland will issue Recipient-Created Tax Invoices on your behalf with your payment/s.

A copy of the Recipient-Created Tax Invoice for your records and taxation purposes will be provided with your payment/s.

If your organisation **has an ABN** but **is not registered for GST**, any grant Arts Queensland pays to you will not be grossed up for a GST component. Arts Queensland will not issue an invoice on your behalf.

## **Pay As You Go (PAYG)**

Under the PAYG withholding system, if your organisation **does not have an ABN**, Arts Queensland must withhold 46.5 per cent of your grant unless you meet the conditions outlined in NAT 3346 “Statement by a Supplier” (available from the ATO website).

Arts Queensland may give your organisation the full grant payment if:

- it has been assessed by the ATO as ineligible for an ABN
- your organisation’s activity is done without any reasonable expectation of profit or gain, or
- the ATO accepts your organisation’s income tax-exempt status.

**Please note: If one of these conditions applies to your organisation, Arts Queensland requires you to provide written documentation to support your position.**

## **Program variation**

Program funding cannot be used for any activities except those specified in your application and in Arts Queensland’s funding agreement, unless a variation of the funding agreement is sought and approved in writing by Arts Queensland.

You should advise Arts Queensland in writing immediately if there are changes to:

- key program personnel or board members
- program content or timelines
- budget
- stated program funding from other sources
- any change in GST status
- location(s) or venue(s), and/or
- anything else that would significantly alter the outcomes of the program.

If you anticipate any possible changes to your program, you should contact Arts Queensland and speak with the relevant Client Contact Officer. If you fail to obtain written approval, you may be required to repay the funding and you will not be eligible for future funding.

## **Intellectual property**

Where a program involves the use of copyright material, it is the applicant’s responsibility to provide all the necessary information regarding intellectual property associated with program activities and program deliverables. Additional copyright information can be obtained from the Australian Copyright Council website at [www.copyright.org.au/](http://www.copyright.org.au/).

## **Privacy and freedom of information**

The information you provide in your funding application is used for processing and assessing your application by Arts Queensland staff and industry experts. Some of this information may be used for training and system testing by Arts Queensland staff.

To help promote Queensland’s arts and culture, Arts Queensland distributes information concerning successful funding applications to Queensland’s State MPs, the media, other agencies and the general public. Arts Queensland may also publish this information in the Arts Queensland Annual Report and on its website.

Arts Queensland will not use personal information for any other purpose and will not disclose it without consent. All personal information provided by an individual in support of an application is managed in accordance with the Queensland Government Information Standard, Information Privacy (IS42).

The provisions of the *Freedom of Information Act 1982* apply to documents in the possession of Arts Queensland.

## **Acknowledgements**

All successful applications will need to acknowledge Arts Queensland's support in all published material associated with the program. Further information about the use of the Arts Queensland logo and a standard text of acknowledgment is available from the Arts Queensland website.

# Reporting requirements

One of the standard conditions of grant is that artistic, statistical and/or financial reports are provided to Arts Queensland at designated times throughout the term of the funding agreement.

Payment of instalments is subject to Arts Queensland accepting that the reports and documentation are satisfactory. If you are late in providing your reporting requirements, it may lead to delays in processing your payments. Failure to provide satisfactory reports and documentation may result in payments being suspended or cancelled in accordance with the funding agreement.

Successful applicants will be asked to nominate Key Performance Indicators with targets against which they will report as part of their Annual Report. Success in meeting those targets will play an important role in future funding decisions

## Acquittal

Acquittal involves accurately accounting for the expenditure of your funding and is a formal condition of grant. If your final required report is satisfactory, you will be notified by Arts Queensland that the funding has been acquitted. If your funding is not satisfactorily acquitted, you will be ineligible for future Arts Queensland funding.

# Glossary of terms

- **Aboriginal or Torres Strait Islander** – Arts Queensland uses a definition that includes three elements: descent, identification and acceptance. An Aboriginal person or Torres Strait Islander is defined as someone who is of Aboriginal or Torres Strait Islander descent, identifies as an Aboriginal or Torres Strait Islander and is accepted as such in the community where he or she lives or comes from.
- **Annual rolling funding** – Where Annual funding is offered for one year, and providing Arts Queensland is satisfied with the progress made in delivering the funded activities and the compliance with reporting requirements, additional funding is offered for the subsequent year. NOT APPLICABLE FOR 2010.
- **Assessor** – An assessor can be either an arts industry expert or an internal advisor who is responsible for assessing funding applications against a set of funding criteria.
- **Auspice body** – An incorporated organisation or an individual with an ABN that manages funding on behalf of an individual or an unincorporated entity. An auspice body is responsible for providing a financial report on the completion of a program. It is not responsible for the artistic direction or quality of the program.
- **Children and young people** – Any person under 26 years of age.
- **Core operations** – Activities of an organisation that incur fixed costs or discretionary costs which cannot be attributed to a specific program. Fixed costs are costs that would be incurred by the organisation even if the organisation's programs did not eventuate.
- **Culturally and Linguistically Diverse (CALD)** – People from CALD backgrounds are defined as those who were born, or whose parents were born, in a non-English-speaking country.
- **Good governance** – Arts Queensland sees good governance of arts organisations as critical in the delivery of quality outcomes.

In negotiating, monitoring and reviewing funding agreements and required outcomes, Arts Queensland will deal with the Board/ Committee or its representatives. It is expected that the majority of the members of each Board/Committee receiving funding from Arts Queensland will be independent of the organisation. All members require an understanding of and the competence to deal with issues arising, as well as the capacity to critically review and enhance the performance of management and the organisation. It is further expected that members are aware of the relevant corporate legislative requirements and the duties imposed on them as directors/ committee members.

Guidelines for best practice in governance have been developed by a number of bodies including the Australian Stock Exchange (*Principles of Good Corporate Governance and Best Practice Recommendations (March 2003)*) and *Freehills (Role of Directors and Governance Issues for Charities (February 2005)*). Your attention is specifically drawn to how the independence of directors/ committee members should be assessed and how to address conflicts of interest. It is recommended, to the extent possible, that these guidelines are adopted by funded organisations.

- **Industry expert** – An industry expert is an experienced arts and cultural worker selected by Arts Queensland to assess a funding application.
- **Infrastructure** – Infrastructure includes the people and organisations, buildings and equipment that provide a support framework for arts and cultural programs.
- **In-kind support** – In-kind support includes volunteer labour, administrative support, rent-free accommodation or donations of materials or equipment. These contributions should be given a dollar value and should be included in your proposed budget.

- **Not-for-profit** – Not-for-profit means that the articles of a legally constituted not-for-profit arts organisation state that profits or surpluses must be used to further the organisation's artistic objectives. Any profits or surpluses cannot be distributed to owners, members or any other individual or group of individuals. The articles should also make provision for the transfer of assets to a similar organisation should they cease operations.
- **Operational funding** – Contributions made by funding bodies that support the core operations and Annual programs of arts and cultural organisations.
- **Partnership** – A partnership in relation to the Small to Medium Organisations Program is an agreement between the applicant and government, non-government and/or other arts and cultural organisation(s).
- **Regional** – Regional areas include larger urban growth centres close to Brisbane such as the Gold Coast, Logan and Ipswich, regional centres, rural and remote areas and isolated communities across Queensland.