



Philanthropy Incentive Program

Information sheet for arts organisations

The Philanthropy Incentive Program (**Program**) intends to encourage individuals, groups of individuals, and businesses to establish prescribed private funds, foundations or other charitable trusts (together referred to as **Funds**) that are philanthropic to the arts.

The Program can contribute an amount of up to 7.5% of the initial capital funds of an eligible Fund (capped at \$50,000) to an arts organisation of the Fund's choice. This contribution will give due recognition to the Fund.

The benefit of this Program is that it allows eligible Funds to effectively cause a donation to arts organisations at the commencement of the Fund. In addition, the Program allows donors who are setting up Funds to view first hand the benefits to the community of a gift made to the arts, and aims to assist in the establishment of relationships between arts organisations and donors.

The Program has been established by the Department of Culture and the Arts (DCA) with administrative assistance from the Australia Council for the Arts through Artsupport Australia – see www.australiacouncil.gov.au/philanthropy.

This information sheet has been provided for the use of arts organisations. For information on eligibility criteria and the guidelines for the Program please see the *Philanthropy Incentive Program Guidelines*.

Your questions answered

Is our arts organisation eligible to receive a contribution from DCA pursuant to the Program?

To be eligible to receive a philanthropic grant from DCA pursuant to this Fund an arts organisation must:

- be a not for profit arts organisation; and
- be based in Western Australia.

How does our organisation gain a benefit from this Program?

Arts organisations in Western Australia are able to benefit from the contribution made by DCA from the Program, which is an amount of up to 7.5% of the initial capital in the Fund (capped at \$50,000). This amount will go directly to the arts organisation and go towards their current operations. Arts organisations then have an opportunity to create further lasting links with this Fund and the WA manager of Artsupport Australia is able to assist arts organisations in this regard.

In a wider sense, this Program aims to encourage more potential donors to consider the establishment of an ongoing fund so that they can be more strategic about their giving. It also aims to show potential donors and Funds what can be achieved through a donation to the arts. More Funds to benefit the Western Australian community and more Funds

which have direct exposure to philanthropy towards the arts is of benefit to the entire arts sector.

How can our arts organisation be selected for the contribution by DCA?

The new Funds themselves select which arts organisation or organisations they would like their philanthropic grant to go towards. Arts organisations are encouraged to provide details of the Program to their current subscriber or membership base, current or potential donors, members of their current donor programs and Board members to ensure that they are aware of the Program. Arts organisations which are effective at publicising and promoting the work that they undertake to the wider public and potential donors certainly increase the chances of being selected by each individual donor or Fund as their preferred recipient.

Our arts organisation has had a promise of a generous donation of \$100,000 by a donor – is this eligible for the Program?

One off donations or philanthropic grants directly to the arts organisation from an individual, business or group of donors, even where amounts are promised over a period of years are not eligible. This Program is targeted at encouraging those donors to set up a Fund to provide ongoing philanthropy to the community. DCA recommends that your organisation asks this donor whether they have considered setting up a prescribed private fund, foundation or other charitable trust (including a sub-account within a third party ancillary fund such as the WA Community Foundation) which may be a more tax effective and strategic method of making this donation. If this donor does set up an eligible Fund then they should be still able to make this promised donation to your arts organisation through this Fund and gain the full benefit of the Program.

Can our arts organisation set up our own fund to ask for public donations and be eligible for the Program?

This is certainly possible; however it is not the focus of the Program. This Program is targeted at donors establishing Funds and not towards arts organisations taking on this administrative function themselves. Arts organisations can set up their own public Funds, however to be eligible they have to comply with the eligibility requirements (please see the Guidelines). One major point is that a Fund must be established with initial funds of at least \$500,000. This means that arts organisations will have to secure a commitment from a donor or a group of donors to donate this amount on establishment of the Fund, before being eligible for the Program.

For a full list of all the eligibility requirements please see the Guidelines.

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