

**Signature Performing Arts Programme Scheme (SPAPS)
General Guidelines in Calculation of Costs to be Netted Off for Matching¹**

Part I - Benefits offered to sponsors/donors

Benefits offered to sponsors/donors	Costs to be netted off for matching under the SPAPS	Examples
1. Admission tickets ²		
a. For events open to the public	<ul style="list-style-type: none"> ♦ The value of each admission ticket shall be calculated based on the regular ticket price of the relevant price zone of the programme, instead of the face value printed on the ticket. ♦ The costs incurred for providing admission tickets shall be netted off from the sponsorship/donation amount. 	<p><u>Example A</u></p> <p>The value of 10 complimentary tickets (with \$0 face value each) shall be calculated based on the regular ticket price of the relevant price zone (e.g. \$600) = 10 tickets x \$600 = \$6,000</p> <p>Costs to be netted off for matching under the SPAPS for providing 10 complimentary tickets to sponsors/donors: \$6,000</p> <p><u>Example B</u></p> <p>The value of 10 discounted tickets (with \$300 face value each) shall be calculated based on the regular ticket price of the relevant price zone (e.g. \$600) = 10 tickets x \$600 = \$6,000</p>

¹ The guidelines and examples listed are not meant to be exhaustive and only serve to provide a general reference. Applicants are encouraged to discuss with the SPAPS Secretariat if they have any queries.

² Admission tickets refer to a ticket/voucher/invitation, etc., including complimentary tickets with or without face value issued for admission to an event.

Benefits offered to sponsors/donors	Costs to be netted off for matching under the SPAPS	Examples
		Costs to be netted off for matching under the SPAPS for providing 10 discounted tickets: \$6,000 - \$3,000 (income received from the sale of discounted tickets) = \$3,000
b. For events <u>not</u> open to the public (e.g. sponsors' night, preview, rehearsal, etc.)	<ul style="list-style-type: none"> ♦ For an exclusive session of a paid admission event, the hypothetical full-house income plus equivalent value of complimentary tickets shall be netted off for matching under the SPAPS. ♦ If the event is not open for sale, all identifiable costs or direct costs³ shall be netted off for matching under the SPAPS. ♦ Rehearsal/preview/special viewing sessions which are <u>not exclusively</u> open for sponsors/donors, e.g., open for students and under-privileged groups at the same time, will not need to be netted off under this category. 	<p><u>Example C</u></p> <p>For paid admission event with a seating capacity of 800 and ticket price of: \$300, \$200, \$100</p> <p>Hypothetical full-house income for 770 seats (excluding 30 complimentary tickets at price zone of \$300):</p> <p>\$300 x 270 seats = \$81,000 \$200 x 300 seats = \$60,000 \$100 x 200 seats = \$20,000 Sub-total = \$161,000</p> <p>Add: equivalent value of 30 complimentary tickets \$300 x 30 = \$9,000</p> <p>Total of \$161,000 + \$9,000 = \$170,000 shall be netted off under the SPAPS</p>

³ Identifiable costs and direct costs may include but not limited to expenses that can be traced directly to the event conducted for soliciting the sponsorship, such as the catering expenses for organising a cocktail reception exclusively for the sponsor and its guests. They may also include but not limited to rental of venue and equipment, procurement of objects and services, honoraria/fees of artists and stage crew, insurance, etc.

Benefits offered to sponsors/donors	Costs to be netted off for matching under the SPAPS	Examples
2. Bulk purchase discount offered for events open to the public	<ul style="list-style-type: none"> ♦ Any reduced income resulted from the discount offered <u>solely</u> to the sponsor/donor has to be netted off for matching under the SPAPS. 	<p><u>Example D</u></p> <p>500 tickets (with a regular ticket price of \$300) are sold to sponsors/donors with a 20% discount (\$60) offered <u>solely</u> to the sponsors/donors</p> <p>Costs to be netted off for matching under the SPAPS: \$60 x 500 tickets = \$30,000</p>
3. Receptions and events organised <u>exclusively</u> for sponsors/donors (e.g. interval drinks, performance/ coaching / meeting by/with artists, etc.)	<ul style="list-style-type: none"> ♦ All identifiable costs or direct costs shall be netted off for matching under the SPAPS. 	
4. Programme brochures/ publications for sale: complimentary and purchase copies	<ul style="list-style-type: none"> ♦ Total value of the complimentary copies issued to sponsors/donors shall be netted off for matching under the SPAPS. ♦ The value of the complimentary copies shall be calculated based on the retail price of the programme brochures/ publications. 	<p><u>Example E</u></p> <p>100 copies of programme brochures/ publications (with a retail price of \$100) are issued to sponsors/donors as complimentary copies</p> <p>Costs to be netted off for matching under the SPAPS = \$100 x 100 = \$10,000</p>

Benefits offered to sponsors/donors	Costs to be netted off for matching under the SPAPS	Examples
	<ul style="list-style-type: none"> ♦ Sponsors/donors have the right to purchase additional copies at the normal trade discount (e.g. bulk purchase discount) which is also available to the public. If such discount is <u>provided exclusively to sponsors/donors only</u>, the cost associated with the discount shall be netted off for matching under the SPAPS. 	<p><u>Example F</u></p> <p>100 copies of programme brochures/ publications (with a retail price of \$100) are sold to sponsors/donors with a 50% discount (\$50) provided <u>exclusively</u> to the sponsors/donors.</p> <p>Costs to be netted off for matching under the SPAPS = \$50 x 100 = \$5,000</p>
<p>5. Setting up of sponsors' banner, sales/ promotion booth</p>	<ul style="list-style-type: none"> ♦ All identifiable costs or direct costs shall be netted off for matching under the SPAPS. 	
<p>6. Advertisements in leaflets/ programme brochures/ house programmes</p>	<ul style="list-style-type: none"> ♦ The cost of free advertisements offered to sponsors/donors in leaflets/programme brochures/house programmes shall be netted off using the prevailing advertisement rate available to the public (if any). 	<p><u>Example G</u></p> <p>The cost of placing an advertisement at an arts group's programme brochure is \$5,000 per page</p> <p>Costs to be netted off for matching under the SPAPS for providing a page of free advertisement to sponsor = \$5,000</p>

Part II - Additional expenses incurred in obtaining a sponsorship/donation

Additional expenses incurred	Costs to be netted off for matching under the SPAPS	Examples
Fees and costs incurred for fund-raising	<ul style="list-style-type: none"> ♦ All identifiable costs or direct costs shall be netted off for matching under the SPAPS. 	<p><u>Example H</u> Fees paid to an outside fund-raising agent shall be netted off for matching under the SPAPS.</p> <p><u>Example I</u> Costs in making available objects/services as auctioning items, prizes for lucky draw, souvenirs, etc. are direct costs and shall be netted off for matching under the SPAPS.</p> <p><u>Example J</u> Expenditure such as booking of hotel facilities, catering services, decoration, etc., for the fundraising events shall be netted off for matching under the SPAPS.</p> <p><u>Example K</u> The cash sponsorships/donations shall exclude administrative charges imposed by third parties, such as bank charges, PayPal fees and other handling charges.</p>

Additional expenses incurred	Costs to be netted off for matching under the SPAPS	Examples
Designated purpose of the sponsorship/donation and the associated expenditures	<ul style="list-style-type: none"> ♦ Provided that the sponsorship/donation is provided for a charitable purpose or intended to support the development of the arts group/the art form, and it does not involve a material benefit provided to the sponsor/donor, costs of these activities do not need to be netted off for matching under the SPAPS. ♦ Where there is pecuniary interest between the sponsor/donor and the designated purpose of the sponsorship/donation, such sponsorships/donations <u>will not</u> be eligible for matching under the SPAPS. 	<p><u>Example L</u></p> <p>The cost of providing complimentary tickets/sponsoring arts education workshops/concerts for underprivileged groups does not need to be netted off from the SPAPS provided that it does not involve a material benefit provided to the sponsor/donor.</p>

**Signature Performing Arts Programme Scheme
Conflict of Interest Disclosure Statement**

With regard to this application for the Signature Performing Arts Programme Scheme, we declare that a sponsor/donor is[#] / is not[#] an associate[#] or associated person[#] of our organisation as detailed below:

Please delete as appropriate

Name of Sponsor/Donor: _____

Amount of Sponsorship/Donation: _____ HK\$

(If a sponsor/donor is an associate or associated person of the organisation, please elaborate on the relationship between the organisation and the sponsor/donor; e.g. the identity of and the relationship with the associate or associated person.)

2. We also declare that there is no pecuniary interest between the sponsor/donor and the designated purpose of the sponsorship/donation.

Authorised Signature
with Organisation Chop
(for and on behalf of
the Applicant)

Name of Signatory

Name of the Applicant

Position / Post Title
/ / (Date)

To: The Secretariat, SPAPS

Signature Performing Arts Programme Scheme

I would like to apply for matching of sponsorships/donations of \$_____ for [*Name of the Grantee*] with details at **Appendix C(b)**.

I confirm that:

- (a) The sponsorships/donations are eligible for matching in accordance with the terms and conditions as set out in the Application Guide and Funding Agreement.
- (b) All donations (including anonymous donations) received were made by bona fide donors to the best of my knowledge and there is no pecuniary interest between the donors and the designated purpose of the donations.
- (c) The sponsorships/donations and matching grants will be used, reported and subject to audit assurance in accordance with the Application Guide and Funding Agreement.
- (d) Sponsors/Donors are aware of and have no objection to this application for matching under the Signature Performing Arts Programme Scheme.
- (e) The sponsorships/donations necessary for this claim have been banked and relevant copies of documentary proof are attached.
- (f) The Progress Report[#]/Final Report[#], Audited Account Report and the Report on Factual Findings[#] necessary for this claim has[#]/have[#] been submitted.

Please delete as appropriate

Authorised Signature
with Organisation Chop
(for and on behalf of the Grantee)

Name of Signatory

Name of the Grantee

Position / Post Title
/ / (Date)

Personal Data

1. The personal data collected in this application form will be used by the Government and the Assessment Panel for the following purposes:
 - (a) processing and assessing the applications for the Signature Performing Arts Programme Scheme;
 - (b) conducting research;
 - (c) recording and preparing statistics;
 - (d) arranging public announcements and publicity;
 - (e) monitoring and evaluating the funded proposal; and
 - (f) taking any remedial or follow-up action on the funded proposal.

For the purpose of (a), the application form and the personal data therein may be passed to public organisations including, but not limited to, the Hong Kong Arts Development Council and/or the Leisure and Cultural Services Department to be used by the recipient to conduct cross-checking against the recipient's records on the Applicant or other individual to whom personal data belongs.

2. An individual to whom personal data belongs and a person authorised by him in writing has the right of access and correction with respect to the individual's personal data as provided for in sections 18 and 22 and Principle 6 of Schedule 1 to the Personal Data (Privacy) Ordinance (Cap. 486). An individual or such person wishing to exercise these rights should complete and return the prescribed Personal Data Access Form to the Secretariat of the Signature Performing Arts Programme Scheme.

**Signature Performing Arts Programme Scheme
Receipt of Cash Sponsorships/Donations**

[*Name of the Grantee*]

Period covered: from _____ to _____.

(i) Details of sponsorships/donations¹ above \$10,000 from the same sponsor/donor							
Date received	Name of sponsor/donor (Note 1)	Consent from sponsor/donor for disclosure of his name to the public and media (Y/N)	Amount of sponsorship/donation (HK\$) (Note 2)	With sponsorship/donation contract/documentary proof attached (Y/N) (Note 3)	Identifiable/direct costs to be netted off (HK\$) (Note 2)	With supporting bank statement attached (Y/N) (Note 3)	Net amount of Sponsorship/donation secured (HK\$) (Note 2)
Sub-total				-		-	
Total Net Amount of Sponsorship/Donation secured				HK\$			

Note 1: If the sponsor/donor is an associate¹ or associated person² of the Applicant, the Applicant should report the potential conflict of interest by completing Conflict of Interest Disclosure Statement at Appendix B (one attachment for each declaration).

Note 2: If an Applicant incurred expenses in obtaining a cash sponsorship/donation, the “identifiable costs” or “direct costs” incurred for the purpose should be netted off from the gross sponsorship/donation amount before the sponsorship/donation can be matched. In calculating the costs to be netted off, please make reference to the guidelines set out in Appendix A of the Application Form.

Note 3: The Applicant shall also enclose copies of the sponsorship/donation contracts or documentary proof in the absence of sponsorship/donation contracts to substantiate the claim for sponsorship/donation amount at or above \$200,000 from the same sponsor/donor.

¹ “associate” of a person means:

1. a relative or partner of that person; or
2. a company with one or more of whose directors is in common with one or more of the directors of that person; or
3. without prejudice to any other term of the Funding Agreement, any corporation, business or non-profit organisation of which the member serves as staff, board member, partner or participates in the management.

² “associated person” in relation to another person means

1. any person who has control, directly or indirectly, over the other; or
2. any person who is controlled, directly or indirectly, by the other; or
3. any person who is controlled by, or has control over, the first-mentioned person in clause 1 or 2.

a person having “control” over another person means the power of that person to secure:

1. by means of the holding of shares or interests or the possession of voting power in or in relation to the second-mentioned person or any other person; or
2. by virtue of powers conferred by any constitution, memorandum or articles of association, partnership, agreement or arrangement (whether legally enforceable or not) affecting that second-mentioned person or any other person; or
3. by virtue of holding office as director in that second-mentioned person or any other person;

that the affairs of that second-mentioned person are conducted in accordance with the wishes of the first-mentioned person.