

**RESPONSES TO THE ONLINE CONSULTATION FOR  
THE CULTURAL DONATION MATCHING FUND  
(10 April 2013 – 10 May 2013)**

The Ministry of Culture, Community and Youth (MCCY) launched a public consultation on 10 April 2013 on the design of the Cultural Matching Donation Fund (CDMF). The online consultation closed on 10 May 2013. While the responses were varied, the following broad sentiments have emerged:

1. General support for the CDMF – Most respondents welcomed the Fund and acknowledged the need to grow private giving.
2. Eligibility of groups/projects for the Fund - A majority of respondents felt that the Fund should be restricted to non-profit organisations (NPOs), Charities and Institutes of Public Character (IPCs), to ensure accountability of public funds.
3. Allowable uses of the Fund – A majority of respondents felt that there should be as few restrictions on the uses/targets of the funds as possible, as this would allow for greater creativity, and would best meet the varying needs of different groups.
4. Donations that qualify for matching – A majority preferred to limit the matching to only cash donations for ease of valuation and flexibility of use.
5. Fair distribution of the Fund – A majority of respondents recommended a tiered matching cap according to the size and background of the recipients in order to ensure accountable spending and also a fair distribution of the Fund.

A more detailed summary of the recommendations received, and our preliminary responses, is tabulated below.

	<b>Recommendations Received</b>	<b>Preliminary MCCY Response</b>
<b>1</b>	<b>Eligibility of Groups / Projects for the CDMF</b>	
1.1	Types of Groups	
	<p>Several respondents recommended restricting the CDMF to non-profit organisations (NPOs) to ensure that they are clearly serving the public good, noting that for-profit groups may be seeking business growth. However, one respondent felt that for-profit groups and even private individuals also serve the creative needs of the country, and hence should also be eligible for the Fund.</p> <p>Some felt that only groups/works with clear and direct cultural output should qualify for the Fund, and that arts educational institutions or art therapy in medical institutions should not qualify. It was</p>	<p>MCCY agrees broadly with the view to have the CDMF benefitting largely the NPOs. We will study the suggestion of using existing NAC/NHB criteria to determine which groups/ projects qualify. We are keen for the Fund to be as inclusive as possible, and for it to support various art forms and cultural categories.</p>

	<p>suggested that these other areas would already receive Funds from other sources and are therefore less needy. However, others noted that arts education remains beneficial to a maturing arts sector and should qualify.</p> <p>Likewise, others requested for less visible output, such as scholarly research and documentation on culture and heritage to be recognised; and for the Fund to be made available to cultural groups that may lie outside traditional arts and culture categories, such as independent musicians.</p> <p>One respondent suggested using existing NAC/NHB criteria to determine if the group/project qualified for the grant.</p>	
1.2	<b>Achieving Accountability</b>	<p>Agree in principle on the need for accountability. But MCCY will study how to cater for individuals and small groups which need greater funding support but lack institutional capacity.</p>
	<p>In general, most respondents felt that restricting the Fund to well-regulated Charities and Institutes of Public Character (IPCs) would ensure accountability. These would have to follow regulations including public sharing of their balance sheets. With this, there can then be minimal conditions placed on the Fund's use.</p> <p>It was suggested that interested NPOs could register themselves as charities to ensure such structure and accountability.</p>	
1.3	<b>Ensuring Sustainability</b>	<p>MCCY is studying the possibility of designing the grant to encourage greater longer-term organisational growth.</p>
	<p>Several have suggested prioritising the Fund to primarily support organisations that have a bigger impact in shaping and sustaining our cultural ecosystem – companies with clear development strategies and developmental projects.</p> <p>One respondent suggested using enhanced matching as a means to encourage the placement of funds into properly structured organisational endowments fund and overall sustainable use.</p>	
<b>2</b>	<b>Allowable Uses of the Fund</b>	
2.1	<b>Uses/Targets of the Fund</b>	<p>Agree in principle but there will still be a need for some guidelines to ensure accountability in the use of public funds.</p>
	<p>Several respondents felt that there should be few restrictions on the uses/targets of the Fund, as this would allow for greater creativity and would best meet the varying needs of different groups.</p>	

2.2	Infrastructure Projects	
	One requested that there should be limits placed on the funds available for infrastructure projects as the focus should be on new programmes, while another felt that there should not be such limits, particularly for the restoration and preservation of heritage buildings, including those that are privately owned.	We are of the view that matching for major infrastructure projects may need to be limited given their high cost.
<b>3</b>	<b>Donations that Qualify for Matching</b>	
3.1	Cash vs. In-Kind Donations	
	<p>Many indicated a preference to limit the matching to only cash donations for ease of valuation, flexibility of use, and the need to generally encourage cash giving.</p> <p>However, some felt that it was important to recognise in-kind donation such as services, suggesting that these could be capped to a minimum quantum per claim. Some also felt it was important to recognise volunteer man-hours, converted into quantifiable terms and then matched with funds, as volunteerism is often overlooked.</p>	<p>Agree to limit the matching to cash donations, especially given the difficulty of valuing in-kind donations accurately.</p> <p>We note the value of other donations, particularly contributions by volunteers. We will study other mechanisms to recognise and encourage such efforts.</p>
<b>4</b>	<b>Equitable Distribution of Funds</b>	
4.1	Distinguishing Groups	
	Most respondents recommended distinguishing well-established institutions/groups from up-and-coming ones, as the needs and organisations structure of both are different.	To be studied further. We understand the desire to have some differentiated tiers of funding to meet the diverse needs of organisations, and will have to study how this can be implemented.
4.2	Implementing Tiering Caps	
	It was recommended, in general, that some form of tiering cap be imposed across the various eligible recipients. Some, however, felt that a cap was unnecessary and would inappropriately define the value of different organisations given its inability to recognise the particularities of different companies.	
<b>5</b>	<b>Implementation Date</b>	
	One respondent suggested backdating donations/sponsorships to the start of the financial year so that corporations would not be encouraged to hold back financial support in anticipation of government policies.	We had indicated earlier that the Matching Fund will be finalised later this year after consultation. This remains the schedule, and there should not be a need to

		back-date the scheme. .
<b>6</b>	<b>Other Comments</b>	
	<p>It was noted that current government funding to organisations should not be curtailed as a consequence of the CDMF.</p> <p>One respondent suggested that the CDMF must be complemented by greater promotion of cultural philanthropy, as well as research into understanding the reasons and motivations for cultural giving.</p>	<p>Agree. The availability of the Matching Fund will not result in a cut-back on other forms of government funding for the arts and culture.</p> <p>Agree that the CDMF needs to be complemented by greater promotion efforts and research into cultural giving.</p>

**Next Steps**

Your inputs will help to refine the framework for the Matching Fund. We expect to finalise the framework by the end of the year.

The CDMF is only one of many schemes through which we promote the development of our cultural sector. The tax benefits for giving to the arts and heritage remain applicable. In addition, we also provide direct funding, have platforms to recognise our artists, patrons and volunteers, and regularly seek feedback from our key stakeholders on our cultural development. The suggestions received for the CDMF will also serve to inform our review of the existing schemes as well.

We thank all respondents for taking the time to share their thoughts and aspirations for the CDMF, and also their valuable suggestions on its design with us.

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