

## **CULTURAL DONATION MATCHING FUND**

We would like your views on how the Cultural Donation Matching Fund can be best used to encourage more giving to the cultural sector.

### **A \$200 Million Fund to Match Donations to the Cultural Sector**

In his Budget Speech in Feb 2013, DPM Tharman announced that the Government will be setting up a new \$200m Cultural Donation Matching Fund to provide dollar-for-dollar matching for private donations to the cultural sector. The fund aims to encourage us all to have a bigger stake in our local arts and heritage.

As the recent Arts and Culture Strategic Review has highlighted, the arts and heritage are transformative. They enrich our souls, add meaning to our lives and define who we are. They exercise our creativity, stretch our imagination, and strike a chord with our feelings. They connect us to the past, and help us dream our future. In short, they develop us as whole persons.

Singapore's cultural scene will be all the more diverse, and its growth more resilient, if we can foster a strong tradition of cultural philanthropy; sustained by close ties between arts practitioners and donors, be it corporations, foundations or individual Singaporeans. With private contributions to a variety of heritage causes and art forms, our cultural institutions and groups will have a greater ability to experiment, innovate, and produce work of higher quality and greater diversity.

Government funding for the arts and culture has almost doubled from \$230 million in 2005 to \$437 million in 2011. However, private giving to arts and culture has not kept pace. It has remained relatively stable, with cash donations hovering at around \$30 million to \$40 million per year, over the last few years. Currently, only about 3% of charitable giving is to arts and heritage causes. Giving to the cultural sector stands at about \$7 per capita, compared to about \$13, \$14, and \$35 in Australia, the UK and the US respectively. There is clearly scope to encourage more giving to the cultural sector. This matching grant scheme challenges us all to give more to culture – the more you give, the more the Government will give.

### **How Does It Work?**

The Government will give a matching dollar, up to \$200 million, to arts/heritage groups/institutions, for every dollar that they raise.

The Cultural Donation Matching Fund itself will not be accepting donations, as it is not the intention to have the fund to compete with other arts and heritage organisations. It is simply kept aside as a pool of funding that is to be awarded in matching amounts to the organisations that succeed in raising private donations.

## How to Design the Matching Fund?

As these are public monies, we must ensure that the matching fund serves the public interest, and is put to good use. There are many things we would like to achieve through the matching fund, but there are some trade-offs inherent in the decisions we make. The following are some design parameters of the matching fund that we would like to seek your inputs on.

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### 1. How to decide on the groups and the types of donations that will qualify for the matching fund?

Ideally, we would like to take an inclusive approach and have as many arts and heritage groups as possible benefit from the matching fund, but there are several factors to take into consideration.

- a. How should we go about determining whether the group is deserving of the matching fund? This may be straightforward for the more established arts groups in say drama, visual or literary arts. But how about arts and heritage interest groups in the community or clan associations? How about musicians and music bands? How about arts-related educational institutions?
- b. Some groups may receive donations in-kind rather than in cash, and would like these to qualify for the matching fund. But this will require some valuation of the donation, which can be a subjective process. Should we exclude in-kind donations from the matching fund?
- c. Since the matching fund is targeted at serving public (and not private) interests, should eligibility be limited to only non-profit groups, or those registered as charities or Institutes of Public Character (IPC)?

### 2. How to ensure equitable distribution of the matching fund?

If we go strictly on a dollar-for-dollar matching principle, then the groups that raise more funds will get more from the government. But we know that not all the arts and cultural groups have the same fund-raising capacity, and that the needs for funding also differ across groups.

- a. Should we impose a cap on the matching amount that is claimable per organisation? On the other hand, placing a cap may dissuade donors from giving to the organisation once the organisation reaches the cap. Donors may then choose to donate to another organisation, hold back their donation until the cap is removed, or even not donate at all. How do we mitigate this?
- b. Assuming we have a cap, should it be uniform across all organisations or should there be different levels applied to different organisations, and if so, on what basis should we decide on these differential thresholds?

3. How to ensure sustainable use of the matching fund?

In principle, we would like to give more flexibility to the arts and heritage groups to decide on the use and disbursement of the matching grant. But there is a risk that donors may cut back their giving, as they perceive that the government is providing a matching grant that groups can freely utilise. Also, we do want the matching grant to be used in a manner that helps the groups build long-term capacity and sustained development, and does not inadvertently lead to “feast-and-famine” situations.

Should we reserve the matching grant for projects which contribute to capacity building and longer-term development of the organisation?

4. How to maintain overall accountability?

Underlying all the above questions is the need to ensure accountability in the use of public monies. The Cultural Donation Matching Fund provides a unique opportunity to catalyse cultural philanthropy, and to transform the arts and cultural sector in Singapore. Let us make full use of this opportunity to design the scheme in way that best achieves this shared objective.

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### **Share Your Views**

These are some of the key issues that we think are important for designing the matching fund. We would like your suggestions and views on how we can address them. There will be concerns that we have not thought of, and we welcome you to share them with us.

We are seeking your views from now until 10 May 2013. Please share your thoughts with us at [cdmf@mccy.gov.sg](mailto:cdmf@mccy.gov.sg). Thank you!

