

Frequently Asked Questions

I. Points to note

1. What are the key refinements to MFS and when will the changes take effect?

The changes have been implemented with immediate effect from this application cycle. The refinements are highlighted as follows:

<ul style="list-style-type: none"> • Matching ratio 	HKADC will match donations/sponsorships pledged by Grantee in a ratio of 1:1.5 at most . The Grantee may receive a matching grant of \$45,000 for an approved project if it obtains cash donations/sponsorships from non-government organisations of at least \$30,000
<ul style="list-style-type: none"> • Proposed project 	The project must be arts and culture related , and should not be any commercial activity or part of such for the sponsors/donors; Project completed before the funding results announcement will not be considered
<ul style="list-style-type: none"> • Performance Period 	The Grantee shall complete the project in 12 months as set out in the Offer Letter; Two approved MFS projects can be concurrently implemented at most
<ul style="list-style-type: none"> • Project Extension 	Signing of Funding Agreement and deposit of donations/sponsorships by way of a crossed cheque to HKADC within 3 months as set out in the Offer Letter; The performance period is extendable for once of no more than 12 months , upon prior approval of HKADC. Failure to comply with the requirements will prevent the Applicant from applying the next round of MFS
<ul style="list-style-type: none"> • Designated bank account 	Grantee receiving a Matching Grant of \$2 million or more is required to open and maintain with a licensed bank in Hong Kong a designated bank account for carrying out and implementing the Project
<ul style="list-style-type: none"> • Operating Surplus/ Residual Funds 	Proposal of using surplus within the scope which is in line with the MFS objectives will be considered; approval of HKADC should be sought at the time of the submission of the final report and audited account report
<ul style="list-style-type: none"> • Audited account report 	Upon completion of the approved project, the Grantee is required to submit a final report and an audited account report, duly certified as accurate by an authorised auditor appointed by HKADC , on the final financial position within six months. The audit fee will be borne by HKADC

II. Eligibility

2. My arts group is a registered organisation but is not currently receiving or have in the past three years received any grant from HKADC. Can I participate in MFS? We are applying to the Inland Revenue Department for becoming a charitable institution and awaiting the approval, can I submit application?

No. The MFS only accepts the participation of the three categories of arts groups stated in the “Guide to Application”. Besides arts groups currently receiving or have in the past three years received grants under HKADC’s Year Grant Scheme or the Literary Arts Platform Scheme, groups of the other two categories should be charitable institutions or trusts of a public character, which are exempt from tax under section 88 of the Inland Revenue Ordinance (Cap 112). Relevant **documentary evidence** should be submitted together with the application.



3. How do you mean by arts groups “currently” receiving or have in the past three years received grants under HKADC’s Year Grant Scheme or Literary Arts Platform Scheme?

The stated arts groups include those who have once received or are currently receiving grants under the mentioned schemes from HKADC within the financial years of 2017/18, 2018/19 and 2019/20. These arts groups are eligible to apply for the MFS. Other eligible Applicants must be charitable institutions or trusts of a public character, which are exempt from tax under section 88 of the Inland Revenue Ordinance (Cap 112). Relevant **documentary evidence** should be presented when submitting the application.

4. Can arts groups currently funded by the Home Affairs Bureau (HAB)’s Arts Capacity Development Funding Scheme (ACDFS) or arts groups completed two rounds of Springboard Grants apply to the MFS?

The MFS aims to encourage small and medium-sized arts groups to explore diversified funding sources, and to raise funds from non-government organisations in the commercial or private sector. Arts groups of a larger scale can consider applying to the ACDFS, which offers a larger amount of funding for matching. Arts groups completed two rounds of Springboard Grants shall apply for the HAB’s Art Development Matching Grants Scheme (ADMGS).

5. Does the MFS accept joint application?

HKADC does not accept joint application. The Applicant must be **the principal organiser** of the proposed project and meet the eligibility and relevant criteria of the MFS. If the proposed project is co-organised by more than one arts organisation, it is suggested that one of the eligible arts groups can submit the application as the main Applicant. The Applicant should then complete and submit the application after obtaining consents from other co-organising partners. If the proposed project is approved, the Applicant should sign the funding agreement and fulfil the commitments on behalf of all co-organisers.

III. Proposed Project

6. What kinds of arts projects will be supported by the MFS?

The MFS supports eligible small and medium-sized arts groups to organise **non-profit projects related to arts and culture**. Generally speaking, projects proposed for the MFS should show satisfactory artistic merit and be able to achieve the following objectives:

- Enhance the Applicant’s organisational capacity;
- Support the development of all art forms;
- Support the development of the arts sectors;
- Support the grooming of the artistic talent and arts administrators;
- Promote audience building for the arts and culture;
- Promote arts education; or
- Support and promote cultural exchanges.

In addition, eligible Applicants should solicit at least \$30,000 cash donations/sponsorships from non-government organisations for the proposed project. The MFS aims to encourage arts groups to explore diversified funding sources for their sustainable development. Hence, arts groups that meet the relevant criteria can apply to the MFS and work together to promote arts development.

7. What are the areas covered by “arts and culture” projects?

“Arts and culture” projects generally refer to projects of dance, drama, literary arts, music, *xiqu*, visual arts, film or media arts, cultural studies, arts education, arts criticism, and/or arts administration projects. In general, projects such as the publishing of manuals, recipes, textbooks, and parent-kids health projects do not fall within the scope of support. If the proposed project is a cross-disciplinary arts project, the arts group can apply to the MFS if it meets the objectives and other relevant criteria of the MFS.

8. What are “non-profit” projects? How should it be accounted if the arts project has ticket sale or other incomes?

The MFS aims to encourage small and medium-sized arts groups to explore diversified funding sources and strengthen their capability in soliciting private donations/sponsorships for sustainable development. Any application that meets the objectives and criteria of the MFS and **has no intention to reap personal or commercial profits** through arts projects is acceptable.

“Non-profit” does not mean that arts groups should not have sales income (such as box office sales or tuition fees), but the income gained through implementing the approved project **should be taken into account in calculating the surplus or deficit** of the entire project. If the Applicant expects other incomes of the project when submitting the application, detailed items and calculation methods should be delineated. If, however, the Applicant is not able to estimate the incomes accurately in such an early stage, the arts group should state clearly in the Final Report upon completion of the approved arts project the proposed arrangements for the operating surplus/ residual funds. The Hong Kong Arts Development Fund Advisory Committee (Advisory Committee) will consider the proposed arrangements with reference to the MFS’ overall objectives before reaching their final decision. The Grantee could deploy the surplus, if any, according to the approved arrangements or it might have to return the unexpended funding to HKADC.

9. Can I apply to the MFS to organise fundraising projects (e.g. charity concerts)?

The proposed arts project of eligible arts groups should meet the objectives of the MFS, and an application can be submitted after the required amount of private donation/commercial sponsorship is successfully raised. If the assessment panel and the Advisory Committee support the proposed project, the arts group can make use of the solicited donation/sponsorship and the matching fund released by HKADC to implement the project. **Additional donations received through the arts project will have to be taken into account in calculating the surplus or deficit** of the entire project. The successful Applicant should propose the arrangement of surplus, if any, when submitting their Final Report upon completion of the approved project. The Advisory Committee will then consider the proposed arrangements with reference to the MFS’ overall objectives before reaching their final decision. The Grantee could then deploy the surplus according to the approved arrangements or it might have to return the unexpended funding to HKADC.

To cite an example, an Applicant has already raised \$500,000 corporate sponsorship and applied for the grant matched by HKADC (being 1.5 times of sponsorship) as the initiative capital to produce a charity concert of \$1.25 million production cost. If the application is approved by the assessment panel and Advisory Committee, the charity concert will be implemented according to the funding agreement. The donations collected in the concert should be reported to HKADC truthfully and reflected in the audited account report.

10. I wish to invite arts practitioners to make short films to advise teenagers against gambling, can I apply to the MFS for the project?

The project is not eligible in principle. The MFS primarily aims to promote the development of arts and culture. Applications should meet the objectives stated in Chapter 2 of the “Guide to Application”, so the aforesaid application will receive no HKADC’s matching grant. If, however, the project offers high artistic value and meets some of the MFS objectives, the possibility of considering these applications by the assessment panel and Advisory Committee will not be ruled out.

11. The donor does not specify on which project of the arts group the donation should be spent but only wishes to support the operation of the arts group or the arts group’s future endeavours e.g. overseas exchange and performances, can the donation be used for matching?

The MFS requires the Applicants to use the donation/sponsorship on arts projects in the first place to promote arts development. If the donor only indicates a general preference of supporting the overall operation, grooming of arts talents or cultural exchange for instance, the Applicant can delineate in the application the proposed use of pledged donation and matching fund, mechanism, timeline and budget in order to fulfil the expectation of the donor. The assessment panel and Advisory Committee will take into consideration the application with an ultimate goal of creating a supportive environment for arts and culture in the community.

12. The proposed project has started before the submission of the application or during the assessment. Can this project apply to the MFS?

The MFS encourages arts groups to kick start the proposed projects within six months and complete the project in 12 months as set out in the Offer Letter. If the Applicant has initiated the proposed project for six months or above before the announcement of the result, the Applicant should state in the application form such an arrangement for the deliberation of the assessment panel and Advisory Board. If the proposed project is approved, the donor/sponsor should sign the undertaking and deposit the donation/sponsorship by way of crossed cheque into “Hong Kong Arts Development Council” after the announcement of the result so that the arts group can receive the donation and the matching grant. The successful Applicant should also comply with the Guide to Application (including the procurement procedures, hiring of project staff etc) throughout the project period for auditing purpose upon completion of the approved project. However, the Applicant will have to bear the risk for unsuccessful application, and HKADC reserves the right to reject any application or the release of matching fund. Generally, projects which are completed before the assessment period will not be considered.

13. Can the proposed project be held across financial years?

Yes, in principle. The MFS encourages arts groups to initiate the approved projects within six months and complete the project within 12 months as set out in the Offer Letter. If the proposed project needs to be held across financial years, the arts group could consider submitting their applications separately in the two-round of MFS each year. However, the Applicant will have to bear the risk for unsuccessful application, and HKADC reserves the right to reject any application or the release of matching fund.

IV. Matching Mechanism

14. Can projects funded by the government or other public entities (e.g. ACDFS, and the rental sponsorship provided by the Leisure and Cultural Service Department (LCSD)) apply to the MFS?

To avoid double subsidy, if any part of the proposed project has already received other public funding in cash form (whether the funding is provided as equity, loan, grant, sponsorship or any other form), the subsidised parts will not be eligible for MFS application. If the project receives non-cash public funding, such as the LCSD's rental sponsorship or discounts, the application will still be considered.

15. Can the proposed project apply to other funding schemes of HKADC or other organisations?

Yes. However, if the Applicant is informed that the proposed project successfully obtains other public funding in cash form (including grants provided by HKADC), the Applicant must choose between the two in order to avoid double subsidy. If later the same arts project supported by any public funding is able to pledge private donation/ commercial sponsorship for attaining a bigger scale, the Applicant has to state clearly in the application the additional elements that are not covered by other public funding for the consideration of assessment panel and Advisory Committee. In any aspect, the Applicant should ensure that there is no double subsidy of the same items/ elements of the proposed project.

16. How much donation/sponsorship should the Applicant raise for applying to the MFS? How is the amount of funding calculated? What is the maximum amount of matching fund an Applicant can get?

Eligible groups should raise at least \$30,000 non-government cash donation/sponsorship for applying to the MFS in each round of application. The Grantee will receive a matching grant of \$45,000 (being up to 1.5 times of the eligible donation/sponsorship). For all of the arts projects submitted by the same arts group in two rounds of application, the maximum of the total donations for matching is \$1.5 million in each financial year. All Applicants should be aware of this when computing their budget. For example, an Applicant organises six arts projects a year. In the first round of MFS application, three arts projects are submitted and successfully obtain the matching grant; in the following round, the other three projects are submitted and as well succeed the matching grant. The upper limit of sponsorship/donation secured for matching will be \$1.5 million and the Grantee could possibly receive a maximum of \$2.25million of matching grant in total.

17. Can the applying group collect the donations/sponsorships first and then deposit the amount into Hong Kong Arts Development Council?

No. The MFS requires the approved project's donor(s)/sponsor(s) to deposit the donations/sponsorships by way of a crossed cheque payable to "Hong Kong Arts Development Council", and sign an undertaking to specify the designated use of donations on the approved project. HKADC will then release all of the received donations/sponsorships and 80% of the matching fund (being up to 1.5 times of the eligible donations) to the Grantee.

The MFS enables small and medium-sized arts groups to participate in the HAB's Art Development Matching Grants Scheme (ADMGS). HKADC will aggregate the non-government cash donations/sponsorships raised by eligible arts groups and our pledged donations and apply to the annual ADMGS for funding. The MFS has two rounds of application in each financial year. In order to avoid hindering the launch of arts projects,

HKADC has to release the matching grant to the Grantees before applying to the HAB for the matching fund. To ensure that the donors/sponsors meet the criteria, HKADC has to comply with the requirements of ADMGS.

18. Can the donations/sponsorships for the proposed project be raised from a group of donors/sponsors?

Yes. The proposed project should receive at least \$30,000 of donations/sponsorships for matching. There is no specification to the number of donors/sponsors in each application, but the Grantee has to, in three months' time upon the approval of the application, invite each and every donor/sponsor to sign an undertaking which guarantees the designated use of donation on the approved arts project. It is the responsibility of the Grantee to ensure that each donor/sponsor would deposit all of the donations/sponsorships by way of a crossed cheque payable to HKADC so as to prevent any delay in fund release.

19. If the Applicants raise funds through “crowdfunding” or small amount donations for the art projects, could they apply to the MFS?

Some non-profit organisations receive regular monthly donations from individuals to support daily operation and sustain development. Some arts projects are supported by small amount donations from the public through a mechanism in the spirit of “crowdfunding”. It would be difficult, however, for HKADC to collect the numerous small amount of donations for the matching in general practice (e.g. each donor is required to fill in an undertaking in three months' time upon the approval of the application to ensure that the donation will be used on the designated project and their obligations under the law, and each donor should deposit the donation by way of cheque payable to the HKADC. Matching grant will only be released when HKADC receives all of the donations for the approved project). As such, it is not recommended to make application to MFS through collecting small amount of donations.

However, when the eligible arts groups submit the application, they can consider listing the amount of corporate sponsorships or private donations from a major donor and providing the relevant proofs; for small amount donations, the Applicant can commission an independent third party to handle the collection of donations. The third party, be it an individual or an organisation, should not be members of or any personnel related to the arts group. The Applicant should also be mindful that HKADC will not be liable for the risk, administrative fees, or any loss involved in commissioning a third party to collect small amount donations.

20. Can I include a number of arts projects in one application? Will the assessment panel deliberate all of the proposed projects in the application in one go (i.e. to either approve or reject ALL of the projects in one application)?

Each eligible arts group can submit one application in each round of application. In the application, the content and donations/sponsorships raised for each arts project can be delineated, and a minimum donation/sponsorship of \$30,000 should be raised for the whole application. The assessment panel and Advisory Committee will deliberate the application in its entirety. If all of the projects meet the stated objectives and criteria, the application will receive the matching grants; if one of the projects fails to meet the requirements, the whole application will be rejected.

V. Donation/Sponsorship

21. Can anonymous donation/sponsorship apply to the MFS?

HKADC is responsible to ensure that the proposed projects comply with HKADC's grant principles. All cash donations/sponsorships must come from reputable sources. Therefore, the Applicants must specify the identities of the donors/sponsors in the application form, and the donor/sponsor should sign an undertaking to guarantee that the donations/sponsorships will be used on the particular project before the launch of the approved project. The information will be kept confidential.

22. Can I accept the donation and sponsorship from ANY individual or company?

The Applicant cannot accept donations/sponsorships from anyone working in the tobacco or tobacco-related industries. If the event is specifically aimed at young people under 18, the Applicant cannot accept donations/sponsorships from anyone in the alcohol industry. Moreover, any cash donations/sponsorships from non-government organisations should be from reputable sources.

23. Does the MFS accept donations from abroad?

The MFS aims at encouraging all sectors in Hong Kong to participate in the promotion of arts development, and help the small and medium-sized arts groups to explore more funding sources and achieve sustainable development through providing donations for arts projects. If the eligible arts groups receive donations/sponsorships from overseas organisations, they have to make sure the donations/sponsorships are from reputable non-government organisations. Overseas donors/sponsors should also sign an undertaking to guarantee that the donations will be used for the approved projects and **deposit the sponsorship in Hong Kong currency by way of a crossed cheque payable to HKADC. HKADC will not be liable for any administrative fees and loss arising from foreign currency exchange.**

24. The donor/sponsor is the arts group itself (self-funded), can the donation be eligible for matching?

No. The Applicant's double identity contradicts the condition that "any non-government cash income for matching purposes must come from a party or parties which is/are not related to the Applicant in terms of control or management or otherwise". The approach does not correspond to the MFS's purpose of encouraging arts groups to seek corporate sponsorships either.

VI. Disbursement of Matching Fund

25. When will HKADC return the donations/sponsorships and release the matching fund?

HKADC will return the donations/sponsorships received, and release a maximum of 80% of the grant matched (being up to 1.5 times of eligible donations/sponsorships) in approximately 20 working days upon receipt of the donations/sponsorships. When the approved project is completed and the Grantee has complied with the regulations delineated in paragraph 7.3.2 in the "Guide for Application", HKADC will release the remaining 20% of the matching grant.

For example, if the donor deposits \$200,000 donation/sponsorship into HKADC, \$200,000 donation/sponsorship along with 80% of the grants matched by HKADC (i.e. \$240,000), totalling at \$440,000 will be released for the Grantee to launch the approved project. The remaining \$60,000 matching fund will be released after the completion of the project and the fulfilment of the agreement by the arts group.

26. Does the donation/sponsorship need to be deposited into HKADC's account at the time of application submission or within a certain time limit? Can the Grantee deposit the donation/sponsorship into HKADC's account by instalments?

The Applicants should state in detail the amount of non-government donations/sponsorships raised or to be raised in the application form and submit relevant proofs, such as letter of intent, sponsorship letter, or donor/sponsor's agreement etc.

Besides, the Grantee should deposit the secured amount of donation/sponsorship in the application into HKADC's account in its entirety according to the time limit prescribed in the funding agreement. The Grantee can choose to deposit the donation/sponsorship in full or by instalments. For instalments, the amount of each instalment should not be less than \$100,000, and the Grantee will receive the instalment of \$100,000 and its matching grant of \$120,000. The total amount should be the same as the pledged amount of the donation/sponsorship stated in the application form or lower.

VII. Submission of application

27. Can I submit more than one MFS application?

Each eligible arts group can only submit one application in each round of application. The application can be for one single proposed project or a collection/ series/ composite of proposed projects. If the organisation submits more than one application in the same round, all of the applications will become invalid and will not be considered.

The MFS Applicant may implement no more than two approved projects at the same time in a financial year and any subsequent application for MFS by that Applicant will not be considered. Such refinement will be applicable to grantees from the fifth round MFS.

28. Can the same project be submitted more than once?

If the proposed project is rejected after assessment, it cannot be resubmitted unless significant and substantial changes have been made to the content of that project, or the Applicant can provide new information and documentary evidence that the proposed project has undergone in-depth review. However, some arts projects, such as drama or dance, will attain richer content and enhancement through re-runs, the arts group should specify the details when submitting the application. The assessment panel will also take these applications into consideration.

29. Can the same arts project be divided into different sections for applying to HKADC's Project Grant or the MFS of the next round?

If the project proposed by an eligible arts group meets the objectives and criteria of the respective funding schemes, the arts group can submit applications to both the Project Grant Scheme and the MFS. However, even if the proposed project is approved and receives the matching fund in the previous round of MFS application, the divided section may not be supported again by the assessment panel and Advisory Committee in the next round. The Applicant should bear the risk of failing to secure the matching fund in this case. Moreover, if the same elements of the arts project or its divided sections is approved by both the Project Grant and the MFS, the Applicant must choose between the two to avoid double subsidy.

30. What should I do if the approved project cannot be completed as planned due to unforeseen reasons (e.g. the resignation of main performers or failure in securing an appropriate venue)?

If the Grantee is not able, for any reason, to sign the funding agreement within **three months** and launch the project within **six months** as set out in the Offer Letter, or is not able to complete the project or submit the reports by the deadline stated in the agreement, the Grantee should notify HKADC 45 days prior to the original performance period to request for an extension. The approval of any extension depends upon HKADC's sole discretion. Even if an extension is granted, **the performance period is extendable for once of no more than 12 months**. Any subsequent application for MFS by that Applicant will not be considered should the agreed terms and conditions have not been complied.

VIII. Assessment Arrangement and Results Announcement

31. What are the assessment criteria for the applications? Will eligible applications be processed on the basis of “first-come-first-served” principle?

The MFS aims to help small and medium-sized arts groups achieve sustainable development and promote private/commercial donations for arts and culture. If eligible arts groups can raise non-government cash donations/sponsorships, and the proposed project meets the objectives of the MFS, the assessment panel will evaluate the proposed project according to some basic factors such as its artistic merit, target audience, and whether the budget is reasonable and feasible. The Advisory Committee, comprising Council members, representatives of the HAB, and non-Council professionals, will conduct a holistic review of the proposed project. The final decision will be made after considering HKADC's grant policy and available resources.

The MFS does not process the applications on the basis of “first-come-first-served” principle. HKADC receives the matching grant through participating in the HAB's ADMGS, which should be sufficient to cater to the funding demand of the two rounds of MFS every year.

32. When will the application result be announced?

HKADC will normally complete the process of assessment **around four months** after the application deadline and notify the Applicants about the results in writing. The successful Applicant will be required to sign and return the Funding Agreement in duplicate to the HKADC on or before the expiry date (ie within **three months** as set out in the Offer Letter) and deposit the donations by way of a crossed cheque payable to HKADC. HKADC reserves the right to delay any result notification.

****Important dates to note:**

Application deadline in March → Results announcement in July → Funding Agreement & Undertaking signed by September → Disbursement of Grant (1st instalment) by October

Application deadline in September → Results announcement in January → Funding Agreement & Undertaking signed by March → Disbursement of Grant (1st instalment) by April



33. When can the approved project be launched? Has the MFS set a time limit to the approved project?

Unless otherwise approved by HKADC, the Grantees should launch their approved projects within six months and complete the project in 12 months after the date of the Offer Letter. The Applicant could start the proposed project before the results announcement for a reasonable period of time. Any completed project before the assessment period will not be considered.

IX. Submission of Reports

34. Does the audited account report need to cover parts of the project facilitated by the MFS only? Do I need to set up an independent bank account to handle the accounting?

The Grantees have to submit the final report and an audited account report within six months after project completion. HKADC will examine the income and expenditure of the project as a whole. Even if the approved project raises additional donations or incomes afterwards, the amount should be computed in the surplus or deficit of the entire project once it is expended on the approved project. If the approved project has any surplus or unexpended funding, the proposed use of funds must be made when submitting the final report for the Advisory Committee's approval, or it will be returned to HKADC. In consideration of the challenges for setting up an independent bank account for each approved project, the Grantee does not need to do so. Instead, the approved project's income, expenditure and debt should be completely and accurately accounted and recorded. Upon completion of the project, the final report together with an audited account report (certified as accurate by an independent public accountant as appointed by HKADC) should be submitted to HKADC and the audit fee shall be borne by HKADC.

35. What could we do with the project surplus?

General speaking, the Grantee should return to HKADC any unexpended funding or operation surplus dated in the final report and/or the audited account report after the completion of the approved project. The organisation can also make suggestions in writing on how to use the surplus, if any, to HKADC to promote local arts development and can only keep the surplus upon written approval of HKADC. HKADC may list the suggestions as a condition for the approval of the grant.