

## AUSPICING FACT SHEET

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Individuals, partnerships, groups and unincorporated organisations (**auspicees**) seeking funding must identify an incorporated auspicings organisation (**auspicor**) to apply for funding on their behalf. This is because Arts NSW can only enter into a Funding Agreement with a legally constituted, not-for-profit, incorporated organisation.

To be eligible for funding, an auspicor must be legally constituted and generally be one of the following:

- A not for profit incorporated body
- A co-operative or trust
- A local government authority
- A tertiary educational facility.

For all auspiced funding, Arts NSW's primary contractual relationship is with the auspicor rather than the auspicee. The Funding Agreement is in the name of the auspicor which is responsible for ensuring compliance with the Agreement and for the satisfactory acquittal of the funding.

### ELIGIBILITY

Auspicing is **only available for Project Funding (with the exception of Capital Project Funding)**. It is not available for Program Funding or Capital Project Funding.

#### Arrangements for Local Councils

Individual business units and entities of Local Councils (such as art galleries or performing arts centres) are eligible to make applications on their own behalf and should not be 'auspiced' by their Council.

### FUNCTIONS AND RESPONSIBILITIES OF AN AUSPICOR

The role of an auspicings organisation (**auspicor**) is to take responsibility for the Arts NSW funding, provide project management assistance to the **auspicee** and keep financial records on the funded activity. This arrangement is used to ensure there is monitoring of the management of the finances and the maintenance of proper financial records. This assists Arts NSW in meeting audit requirements and provides a safeguard for Arts NSW and funding recipients.

The functions of the **auspicor** include:

- entering into a written agreement with the auspicee before the project starts;
- paying the funding to the auspicee in accordance with the Funding Agreement;

- monitoring the use of the funding to ensure compliance with the purpose for which it was provided;
- providing the auspicee with an itemised financial statement at the end of the project, which clearly identifies the funding and how it was spent;
- ensuring that the financial statement for the funding acquittal is certified by a qualified accountant in public practice.
- ensuring the required acquittal information is provided to Arts NSW.

All funding recipients including auspitors are required to submit an acquittal report. Reporting requirements will be agreed as part of finalisation of Funding Agreements.

Although the auspitor is not responsible for the artistic direction or the artistic quality of the project for which funding was granted it is recognised that the relationship between auspitor and auspicee may be much broader than the key responsibilities listed above.

## **THE AUSPICING PROCESS**

Arts NSW can only enter into a Funding Agreement with a legally constituted, not-for-profit, incorporated organisation. Therefore an individual, partnership, group or unincorporated organisation (auspicee) must work with an incorporated auspicing organisation (auspitor) to apply for funding. The auspitor will be required to complete and submit the application form in consultation with the auspicee.

In this process the auspitor should negotiate the various elements of the proposed relationship with the auspicee. This includes the breadth of involvement of the auspitor in the activity for which the funding is sought; the roles and responsibilities of other people involved in the project; whether a fee is to be charged for services, and if so, what that fee will be; and what services will be provided. The fee should be shown in the application budget as an expense.

Auspitors may be asked by the auspicee to undertake a range of activities including the payment of wages to professional artists and other personnel through the auspitor's payroll system; arrangement of insurance and other legal requirements for the project; use of office space and equipment; financial and budget advice during the project; and marketing, promotion and publicity expertise for the project.

## **CONDUCT AND ETHICAL PRACTICES**

If the application for funding is approved, a written agreement listing the services the auspitor will provide should be drawn up and signed by the auspicee and the auspitor before the project starts. This helps to avoid misunderstandings and disagreements developing during the project.

Any agreement between the auspitor and the auspicee should contain clear steps to address disputes or disagreements, including the involvement of an independent mediator.

It may be appropriate, depending upon the number of parties involved and the nature of the activity for which funding has been approved, to also outline the role of the officials and the Board of the auspicing organisation in managing disputes or disagreements.

At all times, the officials of the auspicing organisation must act ethically and meet all community expectations of probity and proper conduct.

It is most important that conflicts of interest and perceived conflicts of interest by the auspicing organisation or its officials are avoided. Care must be taken to ensure the Boards of auspicing organisations are fully aware of any issue that may give rise to a question of conflict of interest (perceived or real). Arts NSW expects all auspicing organisations to maintain transparency in their dealings with auspicees.

### **ISSUES REQUIRING FURTHER CONSULTATION**

If the auspicator or the auspicee find they cannot resolve funding related issues after following all appropriate and agreed processes (e.g. dispute resolution procedures), Arts NSW staff may be consulted for advice.