

**Arts Capacity Development Funding Scheme –
8th Round Funding Exercise**
Frequently Asked Questions

I. Nature and Scope of the Funding Scheme	
Q1	What kinds of activities will the Arts Capacity Development Funding Scheme (ACDFS) support?
A1	<p>The ACDFS will fund innovative and impactful arts and cultural activities, as well as proposals aiming to develop the capacity of arts groups. It seeks to promote a variety of art forms, including performing arts, visual arts and multi-disciplinary arts. Through a strategic funding arrangement, the ACDFS seeks to support promising small and medium arts groups with a view to nurturing local artists and expanding the pool of arts talents.</p> <p>Proposals of a large scale and/or of a long time frame with a view to creating a greater impact on the arts scene of Hong Kong are welcome. Applicants are encouraged to put forth proposals which will contribute to capacity development of a wider scope, such as proposals aiming to enhance capacities in various aspects including creativity, human resources and organisational capabilities; proposals seeking to develop the capacity of specific art form(s) and/or the arts sector as a whole in addition to building the applicants' capacity; proposals supporting local artists on cultural exchange with the Mainland and/or abroad and taking them to both the regional and international stage; proposals encompassing documentation, research, criticism, publication and/or other elements conducive to the sustainable development of the arts; proposals pioneering new frontiers in arts practices and related critical reflection; and proposals striving for artistic excellence and innovation in respect of programme/content development. While the target beneficiaries of the ACDFS are established arts practitioners/arts groups, we welcome proposals which encompass training opportunities/elements to nurture young artists and/or arts administrators.</p> <p>The ACDFS does not cover projects that fall under the scope of other dedicated Government funding schemes including the Cantonese Opera Development Fund, Film Development Fund and CreateSmart Initiative.</p>

	Proponents of proposals seeking to promote Cantonese opera or film, or to develop creative sectors (covering architecture, design, digital entertainment, publishing and printing and television) should make applications under the respective funding schemes instead.
Q2	Are proposals required to meet all four main objectives of the ACDFS?
A2	Proposals for Springboard Grants have to meet all four major objectives of the ACDFS viz. (1) capacity development of arts practitioners, arts groups, art forms and/or arts sector; (2) programme/content development; (3) audience building; and (4) arts education. As to proposals for Project Grants, subject to the nature of the activities involved, they can be designed to meet one or more of the objectives.
Q3	What are the differences between the ACDFS and other funding schemes provided by the Hong Kong Arts Development Council (HKADC)?
A3	The ACDFS aims to fill the gaps between existing funding schemes and to provide an avenue of funding support for large-scale and cross-year arts and cultural initiatives with the objective of developing arts capacity. Differing also in target groups, the ACDFS aims to support established arts practitioners/arts groups and projects of a larger scale whereas the HKADC focuses more on supporting emerging artists, arts groups and projects of comparatively smaller scale.
Q4	What are the differences between the Springboard Grants and the Year Grants of HKADC?
A4	While the HKADC's Year Grants aims to support the basic operation and production needs of the arts groups, the Springboard Grants are matching grants that provide grantees with greater support for their overall development. Applicants for the first Springboard Grant must demonstrate that they have secured or will secure cash income of not less than HK\$1 million, of which not less than HK\$250,000 is non-government sponsorships and/or donations for their proposals. Successful applicants may receive a 200% matching grant (up to HK\$3 million) in respect of the actual income that

	<p>they secure, and the funding period may last for a maximum of two years.</p> <p>Springboard grantees with good performance may apply for the second Springboard Grant up to a maximum amount of HK\$4.5 million in a maximum funding period of three years. The minimum pledged sponsorship or income is HK\$1.5 million of which not less than HK\$375,000 is non-government sponsorships and/or donations. Should a second Springboard Grant application be approved, the grantee shall not apply for any further Springboard Grants.</p>
Q5	There are two categories of grants, namely, Springboard Grants and Project Grants under the ACDFS. Are they designed to achieve different objectives?
A5	Springboard Grants aim to support more comprehensive proposals that will elevate the grantees to a higher level of professional performance with enhanced deliverables. Project Grants aim to support grantees to take forward impactful projects of a large scale and/or a longer time frame. Besides, Springboard Grants are matching grants that require an applicant to secure cash income of not less than HK\$1 million, while Project Grants have no minimum amount set on cash income.
Q6	The annual disbursement under the ACDFS is around \$30 million. What is the apportionment between Springboard Grants and Project Grants?
A6	The Advisory Committee on Arts Development (ACAD) will not pre-determine a fixed apportionment between the two types of Grants but will consider the allocation based on the quality of applications under the two types of Grants.
Q7	Will the ACDFS fund regular activities?
A7	Funding existing regular activities is not a priority of the ACDFS. However, if the funds sought can significantly enhance the scale and effectiveness of the activities and achieve the four major objectives of the ACDFS (capacity development, programme/content development, audience building and arts education) to promote arts development, such applications will also be considered.

Q8	Will the ACDFS support proposals receiving other funding support from the Government or from other organisations?
A8	In line with the principle to avoid double subsidy, the ACDFS will not subsidise the expenditure items which have been granted cash support from other public funding sources. Applicants should not include such expenditure items in the projected expenditure of the Proposal.
Q9	Will applications be allowed to carry a component of cultural exchange?
A9	The ACDFS will consider proposals with cultural exchange components, for example, inviting the Mainland and/or overseas artists to be resident artists of an organisation, or engaging in outbound arts and cultural exchange taking local artists to the regional and international stage. Nevertheless, applicants have to explain how such components can help strengthen Hong Kong's cultural software and enhance the capacity of the local arts sector. Proponents solely aim at conducting outbound exchange activities with the Mainland and/or abroad should consider applying funding from the Home Affairs Bureau's Arts Development Fund (Cultural Exchange Project) and HKADC's Cultural Exchange Grant; both of which are funding schemes dedicated to the promotion of cultural exchange.
Q10	Will projects promoting literary arts be accepted for application?
A10	Yes, and with the exception of Cantonese opera, film and creative industries (which are supported by the dedicated Cantonese Opera Development Fund, Film Development Fund and CreateSmart Initiative respectively), all proposals related to arts and culture, including those for promoting literary arts, are eligible for application.
Q11	Are there any restrictions on receiving sponsorships from companies?
A11	The Grantees should not accept sponsorships from tobacco or tobacco-related industry or smoking products (including the electronic cigarettes and heat-not-burn products) industry or any industry related thereto. For proposals/events specifically aimed at young people under 18, sponsorships from alcohol industry is also not acceptable.

Q12	Will every proposal approved be receiving the full grant?
A12	The funding amount depends on whether the proposed budget is reasonable, as well as the number of applications and the amount of funds approved in the same round of funding exercise. The Government does not guarantee that a full grant as applied will be approved for a successful application. In accepting the Grant, the grantee has the obligation to find additional resources to ensure that the proposal will be implemented as approved.
II. Matching Mechanism of Springboard Grants	
Q13	What kinds of income are eligible for the matching grant? Is it limited to sponsorships and donations?
A13	Cash sponsorships and donations (including sponsorship from The Hong Kong Jockey Club Charities Trust) are eligible for matching. Other cash income eligible for matching also includes revenue generated from the approved proposal, such as box income, admission fees, enrolment fees, participation fees and sales of merchandise developed as an integral part of the proposal, etc. Cash support from all public funding sources are not to be counted as matching income. Donations from members of the grantee's Board of Directors are not eligible for matching either. ACAD will allow flexibility in considering what counts as cash income for matching based on the details of the approved proposal and the nature of income.
Q14	How does the matching grant work?
A14	An applicant is required to set out in the application any non-government sponsorships and/or donations that it has secured or will secure and to produce documentary evidence to the satisfaction of ACAD and the Government that the claimed amount of income is deliverable. Springboard Grantees must deposit all committed income in the designated account set up for the approved proposal before the last instalment of the Grant is paid by the Government. The Government will disburse the Grant by instalments, tying with appropriate milestones and deliverables, including proof of matching amount of income deposited, as well as any other conditions attached when

	<p>the Grant is approved. The instalment schedule will be agreed between the successful applicant and the Government, and will be stipulated in the Funding Agreement to be entered into between both parties.</p>
<p>III. Eligibility and Application</p>	
Q15	Who are eligible to apply for the ACDFS?
A15	<p>Successful applicants for Springboard Grants 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) or companies incorporated and registered under the Companies Ordinance (Cap. 622) or the Old Companies Ordinance (Cap. 32) as limited by guarantee whose objects and powers do not include the distribution of profits to members.</p> <p>Successful applicants for Project Grants 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) or companies incorporated under the Companies Ordinance (Cap. 622) or the Old Companies Ordinance (Cap. 32).</p> <p>The legal status required must have been acquired by the successful applicants prior to signing of the Funding Agreement.</p>
Q16	Will joint applications made by two or more arts groups be accepted?
A16	<p>Yes, but all the applicants must meet the eligibility requirements mentioned in Q15. Their respective responsibilities should be stated clearly in the application and a principal applicant should be designated for the administration of the approved proposal.</p>
Q17	Can applicants re-submit their applications that were rejected in previous rounds of application?
A17	<p>No, unless significant and substantial changes have been made to that proposal, or the applicant is able to produce new information and documents which show an in-depth review of the proposal. The applicant must indicate that it is a new application developed upon the rejected application and show changes that have been made to the original proposal.</p>

Q18	What are the arts groups that receive recurrent subvention from the Government? Will proposals involving such arts groups be considered?
A18	Arts groups receiving recurrent subvention include the nine major performing arts groups currently funded by the Home Affairs Bureau and the Hong Kong Arts Festival Society whose operational costs are partially funded by the Leisure and Cultural Services Department (LCSD). They are not eligible to apply for the ACDFS and should not be joint applicants. Nevertheless, for applicants who have engaged arts groups receiving recurrent subvention to provide services (e.g. accompaniment), their applications will still be considered.
Q19	Will Year Grantees of the HKADC or Venue Partners of LCSD's performing arts venues be eligible to apply?
A19	<p>Yes, they are eligible to apply. Projects currently seeking/receiving non-cash support from other public funding sources may apply for the ACDFS too.</p> <p>Double subsidy in the form of cash support must be avoided. If support from other public funding sources has been granted to (a) particular expenditure item(s) of the approved proposal, the same item(s) will not be eligible for funding. However, a Springboard/Project Grant may be made for a proposal receiving non-cash support from other public funding sources (e.g. sponsorships of venue support and ticketing services by LCSD), subject to recommendation from ACAD and approval by the Government. Consideration will be given on a case-by-case basis in the light of the prevailing circumstances.</p> <p>A successful applicant for the Springboard Grant which is receiving a Year Grant of the HKADC is required to relinquish such grants.</p>
Q20	Can past/existing Springboard and Project grantees apply for grants in another round funding exercise?
A20	Yes, past/existing Springboard and Project grantees may submit applications in another round funding exercise, except that a second Springboard Grant applicant will not be eligible to apply for any further Springboard Grant if the grant is approved. The applicant however can

	<p>still apply for Project Grant.</p> <p>In assessing proposals submitted by past/existing grantees, priority would be given to those are advanced/different from proposals approved in previous funding exercise(s). For applications from past/existing grantees, the applicant's performance in implementing its approved proposal under previous funding exercise(s) will be taken into account in the assessment of its application. In case the applicant's approved proposal under previous funding exercise has not been completed at the time of assessment, the applicant's interim performance will be taken into account. In addition, any applications being granted approval-in-principle will be subject to the applicant's satisfactory completion of its approved proposals under the previous funding exercise(s).</p>
Q21	Is it possible for an applicant to submit applications for both Springboard Grants and Project Grants at the same time? Is it possible to submit more than one application for the same type of grant?
A21	<p>No. In order to provide opportunities for various arts groups, only one application will be accepted from a single applicant in the same round of application.</p> <p>The main objectives of the ACDFS are to enhance capacity development of arts groups and help deliver impactful projects of a large scale and/or a longer time frame, which require commitment of the grantees. A promising arts group/ensemble should make long-term plan to enhance its capacity for sustainable development in the future. With the above in mind, arts groups should strive for excellence and submit only their best proposals. They should prudently consider whether to apply for Springboard Grants or Project Grants that best suit their development stages.</p>
Q22	Can key player(s) of a proposal be involved in more than one proposal at the same time?
A22	The applicant has to seek each of the key players' prior consent regarding their participation in the applicant's proposal. In principle, the ACDFS does not forbid key players of a proposal to participate in multiple

	proposals at the same time but would consider whether he/she is capable of doing so and whether there may be potential conflicts in work schedule and workload.
Q23	What expenditure items can be included in the budget?
A23	Generally speaking, the cost for additional manpower engaged for implementation of the approved proposal, production costs (including production material costs and remuneration of creative and artistic personnel), equipment rental, venue rental not owned/leased by the applicant for creation/production/rehearsal use, and other non-recurrent direct costs (such as expenses for consumables and marketing) which are directly incurred for the implementation of the approved proposal may be eligible for funding support. Operation or administrative costs incurred by the applicant organisation (e.g. the costs for establishing and/or maintaining the operation or administration of the applicant, rental, utility charges, renovation, maintenance and repair expenses and other costs not directly related to the activities) will not be funded.
Q24	If the staff working on the approved project are already on the payroll of the applicant's organisation, can the applicant set aside part of their salaries and label them as administration expenses to be reimbursed by the grants?
A24	Unless otherwise approved by the Government, grants under the ACDFS must not be used to pay any emolument to a person who is already on the payroll of the grantee's organisation. If the applicant has justifiable circumstances for such a request, such circumstances should be clearly stated in the proposal at the time of application.
Q25	What plans and information should the applicants of Springboard Grants submit?
A25	Proposals for Springboard Grants must be innovative and contribute to the following four objectives: <ul style="list-style-type: none"> • capacity development of arts practitioners, arts groups, art forms and/or arts sector; • programme/content development; • audience building; and

	<ul style="list-style-type: none"> arts education. <p>Innovative proposals of a large scale and/or of a longer time frame with a view to creating a greater impact on the local arts scene and the community, strengthening the cultural software and building the capacity of the arts sector are welcomed. Applicants for Springboard Grants should maximise the use of the allowable funding period to facilitate their organisations' sustainable development.</p> <p>The plan should cover the following:</p> <ul style="list-style-type: none"> (a) creativity/originality and feasibility evaluations; (b) a time-line; (c) a proposed budget; (d) a cash flow projection; (e) an implementation strategy; (f) a marketing and promotion strategy; (g) an evaluation proposal; and (h) a risk control/contingency plan. <p>An applicant applying for a second Springboard Grant is required to show how the proposal will further elevate its professional performance/capacity on top of the outcome of the proposal implemented with its first Springboard Grant, and bring about continued development of the arts group upon completion of the proposal with the second grant.</p>
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IV. Assessment

Q26	How will the applications be assessed?
A26	ACAD will assess the applications in accordance with the approved criteria and guidelines and make recommendations to the Government. ACAD will invite experts, professionals, experienced arts practitioners and academics to help assess on artistic merit and related requirements. It will also engage special experts to advise on individual cases if necessary.
Q27	Will all applicants be invited to attend interviews?
A27	Depending on the number and quality of the applications received, ACAD may invite applicants to attend interviews.

Q28	What are the ways to ensure the vetting process is free from conflict of interest?
A28	ACAD has established a declaration of interests system. Members will be excused from the discussion and decision making process should there be a conflict of interest. Expert advisers enlisted to assist in the vetting process have to abide by the same code of conduct.
Q29	Is there a review mechanism under the ACDFS?
A29	As the administrator of the ACDFS, the Government will base its final decision on the recommendations of ACAD. Requests for reviewing the decisions may be sent to the Secretariat of the Arts Capacity Development Funding Scheme, the Home Affairs Bureau.
Q30	Can an applicant made revision or provide supplementary information to its submitted application?
A30	Before closure of the application period, an applicant can provide a complete replacement application to supersede the one it previously submitted. To ensure fairness in assessment, no revisions or supplementary information will be accepted after application is closed.
V. Implementation and Monitoring	
Q31	What will the Government do when a Springboard grantee's actual cash income falls short of or exceeds the amount pledged during application?
A31	<p>If a Springboard grantee's income falls short of the pledged amount, the Government will match the actual amount it has secured. On the other hand, if a Springboard grantee's cash income exceeds the pledged amount, it will only receive the amount of matching grant stipulated in the Funding Agreement. In this scenario, the project may generate an operating surplus. The grantee may use the surplus for a purpose contributing to local arts development if the proposed usage is recommended by ACAD and approved by the Government.</p> <p>In the event the grantee fails to secure cash income that meets the minimum requirement stipulated in the Funding Agreement, in terms of total amount</p>

	or the amount for non-government sponsorships and/or donations, the Government is entitled to cease payment of the grant and require the grantee to reimburse part or the entire grant received.
Q32	Is there a rule governing the disbursement of the Grants?
A32	Successful applicants will receive up to 30% of the approved grant as the first instalment to start up the project. The rest of the grant will be disbursed by instalments on achievements of appropriate milestones/deliverables. In addition, instalments of Springboard Grants will be disbursed only when the sponsorships or donations and other income for matching is actually in place in accordance with the instalment schedule agreed between the grantee and the Government, and stipulated in the Funding Agreement.
Q33	What are the terms and conditions for the grant?
A33	The successful applicant will be required to sign an agreement with the Government which stipulates the terms and conditions of the grant, including all the financial control measures and other requirements to be observed by the grantee.
Q34	Will the monitoring system of the Scheme impose significant administrative workload on grantees?
A34	ACAD is aware of the possible pressure created by the administrative workload on grantees but it is necessary to have a monitoring system in place to ensure the proper use of public funds. Grantees are expected to cooperate fully with the Secretariat and to fulfil their obligations as stipulated in the Funding Agreement.
Q35	Will additional grant be provided if the actual expenditure for implementing the approved proposal exceeds the estimated budget?
A35	Under no circumstances will any additional grants be provided once Funding Agreement was signed. In the event that the actual expenditure exceeds the estimated budget, the grantee is required to cover the shortfall in order to implement the approved proposal. The grantee will be required in the agreement to give an undertaking to accept liabilities for all deficits arising from implementing the approved proposal. In addition, the grantee

	should notify the Secretariat immediately regardless of the estimated amount of overspending.
Q36	What accounting and financial measures will ACAD require the grantee to adopt?
A36	<p>A grantee should open a designated bank account for handling all the receipts and payments related to the approved proposal. Upon completion of the approved proposal, the grantee should appoint a certified public accountant registered under section 22 of the Professional Accounts Ordinance (Cap. 50) to execute the auditing work and submit an audited account report within a prescribed period.</p> <p>To ensure that the grant is used in a cost-effective and accountable manner, the grantee should establish internal control policies in relation to the execution of the approved proposal, and to discuss with its auditor to strengthen its policies.</p>
Q37	How should the surplus generated from the project be handled?
A37	A grantee must return to the Government any residual funds and operating surplus (including the sale proceeds from equipment and/or goods disposed of) generated from the approved proposal, up to the amount of the grant, at the time it submits the audited account report of the proposal. However, if the grantee proposes to use the residual funds or operating surplus for a purpose contributing to local arts development and in a manner acceptable to ACAD and approved by the Government, it can use the surplus in the approved manner.
Q38	Can equipment be procured for the purpose of implementing the approved proposal? If yes, how should such equipment be handled?
A38	A grantee may follow prescribed procurement procedures to procure goods and equipment necessary for the implementation of the proposal as approved by ACAD. Nevertheless, the grantee is required to properly maintain the equipment and keep a register of such equipment. The equipment or goods must not be transferred, sold or disposed of without obtaining prior written approval from the Government. Upon the completion of the approved proposal, the grantee should dispose of the

	goods and equipment of more than HK\$5,000 at the prevailing market price by way of public sale. The sale proceeds should be counted as revenue of the implemented proposal and reflected as such in the financial report and audited account report.
Q39	What are the requirements on procurement of goods and services for the project?
A39	A grantee with a Board of Directors which comprises not fewer than 5 members may follow the procurement system established by its Board. Other grantees may follow the prescribed procedures stipulated in the Guide to Application for different aggregate values of procurements. Grantees must ensure that all procurements will be carried out in an unbiased and fair manner.
Q40	What happens if the approved proposal cannot be completed?
A40	In case of any problem or unsatisfactory performance of the grantee in implementing the approved proposal resulting in a failure to achieve the expected deliverables/targets, the Government reserves the right to withhold funding and to request return of part or all of the grant already disbursed to the grantee as well as recover any loss or damages incurred. The Government may terminate the Funding Agreement by serving one-month notice in writing upon the grantee.
Q41	If the approved proposal has to be delayed due to venue constraints or other factors beyond the control of the grantee, will the funding be withdrawn?
A41	It depends on how long the implementation of the approved proposal will be delayed and the feasibility of the proposal after the postponement. In principle, approved proposals should commence within six months after the approval of the grants, and complete in two years at maximum for a Project Grant and a Springboard Grant and three years at maximum for a second Springboard Grant.