

CMF-Charity Council Engagement Session

Governance & Growth for Arts & Heritage Charities

23 Apr 2019 (Tuesday)

Co-Organised by:

Cultural Matching Fund and The Charity Council

CULTURAL
MATCHING
FUND



mccy
Ministry of Culture, Community and Youth

Event Programme

Time	Item
14:00 – 14:30	Registration
14:30 – 14:40	Welcome by Culture Matching Fund Trust Secretary Mr Timothy Chin
14:40 – 15:00	Keynote Presentation & Quiz : How to Avoid Conflict of Interest and Enhancing Board's Skills & Competencies Mrs Mildred Tan, Member, Charity Council
15:00 – 15:40	Panel Discussion: How Can Your NPO Build Sustainable Growth Through Good Governance? Moderator: Mr Timothy Chin, Trust Secretary Panellist 1: Mrs Mildred Tan, Member, Charity Council & Chairman, National Volunteer & Philanthropy Centre Panellist 2: Ms Kaylee Kwok, Partner, RHTLaw Taylor Wessing & Volunteer Lawyer, Law Society Pro Bono Services Panellist 3: Ms Charlotte Nors, Managing Director, Singapore Repertory Theatre
15:40 – 16:00	Presentation & Quiz: CMF 2019 Application Update Ms Charlotte Koh & Mr Zeng Yulin CMF Secretariat
16:00 – 16:30	End of Session / Networking

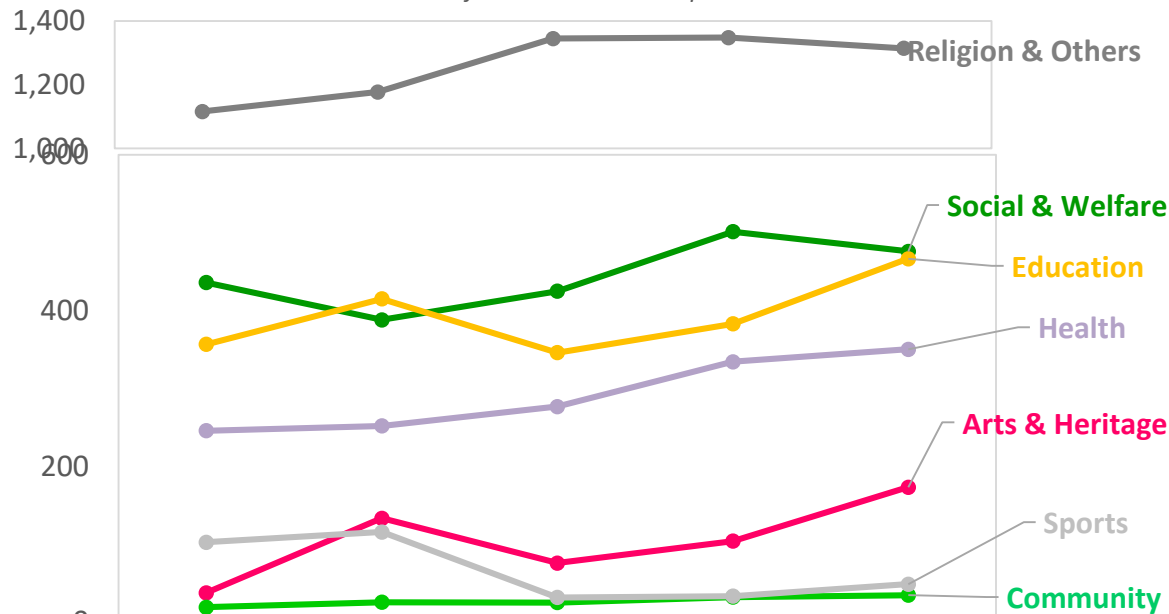
Welcome Address by Trust Secretary of the Cultural Matching Fund

By Mr Timothy Chin

Total Donations Received by the Arts and Heritage Sector

Total Donations by Sector, 2012 – 2016 (\$'M)

Source: Commissioner of Charities Annual Report 2017



\$'M	2012	2013	2014	2015	2016	% Growth since 2012
Religion & Others	1,115.6	1,177.1	1,344.9	1,347.9	1,314.1	18%
Social & Welfare	435.8	388.0	424.8	501.2	475.9	9%
Education	356.5	414.9	345.9	382.8	466.4	31%
Health	245.6	251.8	276.7	334.1	350.1	43%
Arts & Heritage	37.6	133.2	75.7	103.8	173.0	360%
Sports	102.5	115.6	31.5	33.2	48.5	-53%
Community	19.1	25.3	24.9	31.9	34.4	80%
Whole Sector	2,312.7	2,505.9	2,524.4	2,734.9	2,862.4	24%

Keynote Presentation: How to Avoid Conflict of Interest and Enhancing Board's Skills & Competencies

By Mrs Mildred Tan
Member, Charity Council

CHARITY
COUNCIL



CMF-Charity Council Engagement Session

Arts & Heritage Charities

23 April 2019



Why a Code of Governance? Code of Governance for Charities & IPCs



- Guidance for charities/Board.
- Encourage **transparency & accountability**



- Promote support for charities from the public
- **Increase Confidence**



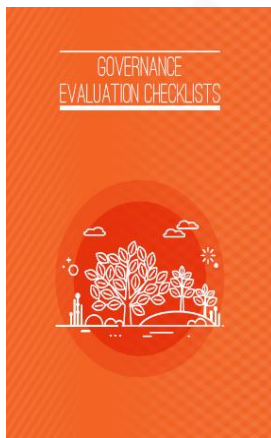
**INCREASE IN
TRUST
& DONATIONS**



Governance Evaluation Checklist

Code of Governance for Charities & IPCs

- The Code operates on the principle of ‘**Comply**’ or ‘**Explain**’
- The following are **NOT** required to submit the GEC:
 - a) an exempt charity which is not an institution of a public character (IPC); or
 - b) any registered charity which is not IPC and whose gross annual receipts, or the total expenditure if higher, in any of the 2 financial years preceding the current financial year, is less than \$50,000.

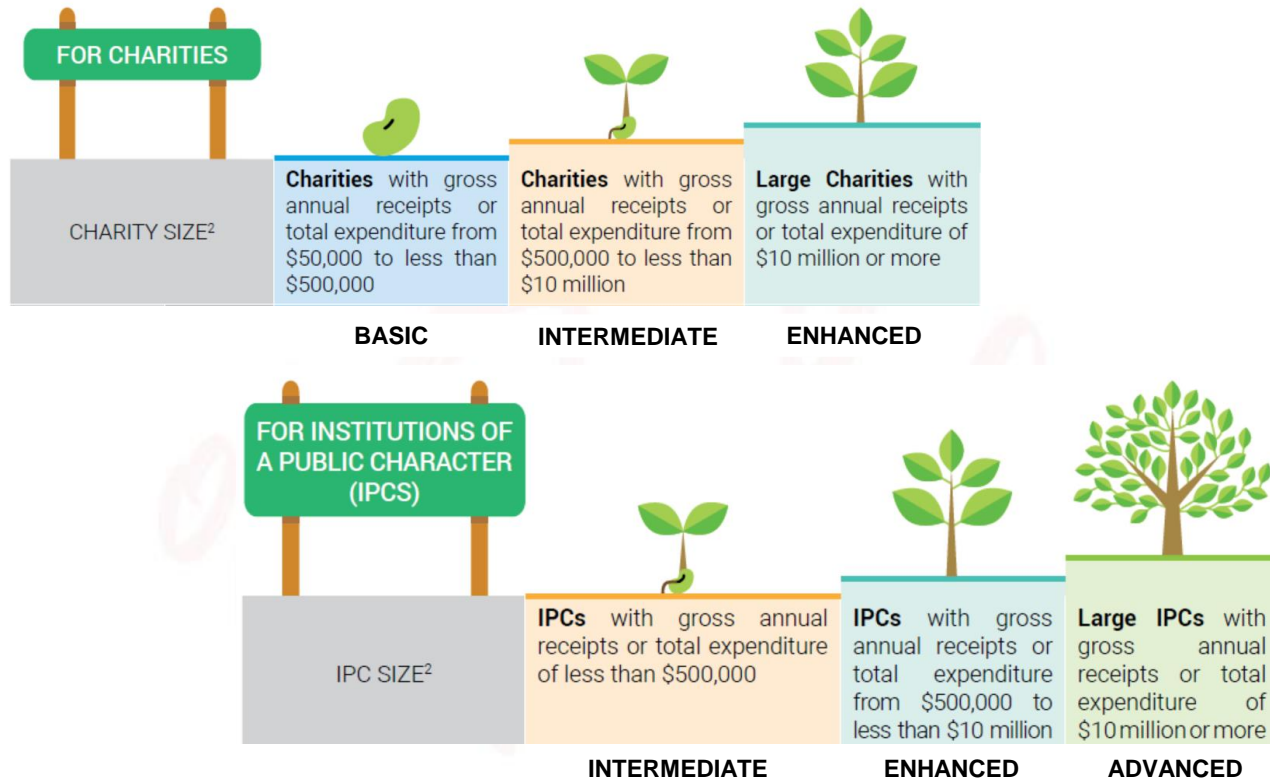


BASIC TER				INTERMEDIATE TER				ADVANCED TER				ADVANCED TER			
S/N	Description	S/N	Description	Code ID	S/N	Description	Code ID	S/N	Description	Code ID	Response (Yes/No)	S/N	Description	Code ID	Response (Yes/No)
Board Governance															
1	Induction and orientation are provided to incoming Board members on joining the Board.	1	Induction and orientation are provided to incoming Board members on joining the Board.	1.1.1	1	Induction and orientation are provided to incoming Board members on joining the Board.	1.1.1	1	Induction and orientation are provided to incoming Board members on joining the Board.	1.1.1	<input type="checkbox"/> Complied <input type="checkbox"/> Not Complied	1	Induction and orientation are provided to incoming Board members on joining the Board.	1.1.1	<input type="checkbox"/> Complied <input type="checkbox"/> Not Complied
2	Are there Board members holding staff appointments? (Skip items 2 and 3 if 'No')	2	Are there Board members holding staff appointments? (Skip items 2 and 3 if 'No')	1.1.2	2	Are there Board members holding staff appointments? (Skip items 2 and 3 if 'No')	1.1.2	2	Are there Board members holding staff appointments? (Skip items 2 and 3 if 'No')	1.1.2	<input type="checkbox"/> Yes <input type="checkbox"/> No	2	Are there Board members holding staff appointments? (Skip items 2 and 3 if 'No')	1.1.2	<input type="checkbox"/> Yes <input type="checkbox"/> No
3	Staff does not chair the Board and does not comprise more than one-third of the Board.	3	Staff does not chair the Board and does not comprise more than one-third of the Board.	1.1.3	3	Staff does not chair the Board and does not comprise more than one-third of the Board.	1.1.3	3	Staff does not chair the Board and does not comprise more than one-third of the Board.	1.1.3	<input type="checkbox"/> Complied <input type="checkbox"/> Not Complied	3	Staff does not chair the Board and does not comprise more than one-third of the Board.	1.1.3	<input type="checkbox"/> Complied <input type="checkbox"/> Not Complied
4	There are written job descriptions for their executive functions and operational duties which are distinct from their Board roles.	4	There are written job descriptions for their executive functions and operational duties which are distinct from their Board roles.	1.1.4	4	There are written job descriptions for their executive functions and operational duties which are distinct from their Board roles.	1.1.4	4	There are written job descriptions for their executive functions and operational duties which are distinct from their Board roles.	1.1.4	<input type="checkbox"/> Complied <input type="checkbox"/> Not Complied	4	There are written job descriptions for their executive functions and operational duties which are distinct from their Board roles.	1.1.4	<input type="checkbox"/> Complied <input type="checkbox"/> Not Complied
5	There is a maximum limit of four consecutive years for the Treasurer position (or equivalent, e.g. Finance Committee Chairman or person on Board responsible for overseeing the finances of the charity).	5	There is a maximum limit of four consecutive years for the Treasurer position (or equivalent, e.g. Finance Committee Chairman or person on Board responsible for overseeing the finances of the charity).	1.1.7	5	There is a maximum limit of four consecutive years for the Treasurer position (or equivalent, e.g. Finance Committee Chairman or person on Board responsible for overseeing the finances of the charity).	1.1.7	5	There is a maximum limit of four consecutive years for the Treasurer position (or equivalent, e.g. Finance Committee Chairman or person on Board responsible for overseeing the finances of the charity).	1.1.7	<input type="checkbox"/> Complied <input type="checkbox"/> Not Complied	5	There is a maximum limit of four consecutive years for the Treasurer position (or equivalent, e.g. Finance Committee Chairman or person on Board responsible for overseeing the finances of the charity).	1.1.7	<input type="checkbox"/> Complied <input type="checkbox"/> Not Complied
6	Should the charity not have an appointed Board member, it will be taken that the Chairman oversees the finances.	6	Should the charity not have an appointed Board member, it will be taken that the Chairman oversees the finances.	1.1.8	6	Should the charity not have an appointed Board member, it will be taken that the Chairman oversees the finances.	1.1.8	6	Should the charity not have an appointed Board member, it will be taken that the Chairman oversees the finances.	1.1.8	<input type="checkbox"/> Complied <input type="checkbox"/> Not Complied	6	Should the charity not have an appointed Board member, it will be taken that the Chairman oversees the finances.	1.1.8	<input type="checkbox"/> Complied <input type="checkbox"/> Not Complied
7	All Board members submit themselves for re-appointment or re-election at least once every three years.	7	All Board members submit themselves for re-appointment or re-election at least once every three years.	1.1.9	7	All Board members submit themselves for re-appointment or re-election at least once every three years.	1.1.9	7	All Board members submit themselves for re-appointment or re-election at least once every three years.	1.1.9	<input type="checkbox"/> Complied <input type="checkbox"/> Not Complied	7	All Board members submit themselves for re-appointment or re-election at least once every three years.	1.1.9	<input type="checkbox"/> Complied <input type="checkbox"/> Not Complied
8	There are documented terms of reference for the Board and each of its Board committees.	8	There are documented terms of reference for the Board and each of its Board committees.	1.2.1	8	There are documented terms of reference for the Board and each of its Board committees.	1.2.1	8	There are documented terms of reference for the Board and each of its Board committees.	1.2.1	<input type="checkbox"/> Complied <input type="checkbox"/> Not Complied	8	There are documented terms of reference for the Board and each of its Board committees.	1.2.1	<input type="checkbox"/> Complied <input type="checkbox"/> Not Complied
9	There are documented procedures for Board members and staff to declare actual or potential conflicts of interest to the Board at the earliest opportunity.	9	There are documented procedures for Board members and staff to declare actual or potential conflicts of interest to the Board at the earliest opportunity.	2.1	9	There are documented procedures for Board members and staff to declare actual or potential conflicts of interest to the Board at the earliest opportunity.	2.1	9	There are documented procedures for Board members and staff to declare actual or potential conflicts of interest to the Board at the earliest opportunity.	2.1	<input type="checkbox"/> Complied <input type="checkbox"/> Not Complied	9	There are documented procedures for Board members and staff to declare actual or potential conflicts of interest to the Board at the earliest opportunity.	2.1	<input type="checkbox"/> Complied <input type="checkbox"/> Not Complied
10	Board members do not vote or participate in decision-making on matters where they have a conflict of interest.	10	Board members do not vote or participate in decision-making on matters where they have a conflict of interest.	2.4	10	Board members do not vote or participate in decision-making on matters where they have a conflict of interest.	2.4	10	Board members do not vote or participate in decision-making on matters where they have a conflict of interest.	2.4	<input type="checkbox"/> Complied <input type="checkbox"/> Not Complied	10	Board members do not vote or participate in decision-making on matters where they have a conflict of interest.	2.4	<input type="checkbox"/> Complied <input type="checkbox"/> Not Complied
11	The Board periodically reviews and approves the strategic plan for the charity to ensure that the activities are in line with its objectives.	11	The Board periodically reviews and approves the strategic plan for the charity to ensure that the activities are in line with its objectives.	3.2.1	11	The Board periodically reviews and approves the strategic plan for the charity to ensure that the activities are in line with its objectives.	3.2.1	11	The Board periodically reviews and approves the strategic plan for the charity to ensure that the activities are in line with its objectives.	3.2.1	<input type="checkbox"/> Complied <input type="checkbox"/> Not Complied	11	The Board periodically reviews and approves the strategic plan for the charity to ensure that the activities are in line with its objectives.	3.2.1	<input type="checkbox"/> Complied <input type="checkbox"/> Not Complied
12	There is a documented plan to develop the capacity and capability of the charity and the Board members in the progress of this plan.	12	There is a documented plan to develop the capacity and capability of the charity and the Board members in the progress of this plan.	3.2.4	12	There is a documented plan to develop the capacity and capability of the charity and the Board members in the progress of this plan.	3.2.4	12	There is a documented plan to develop the capacity and capability of the charity and the Board members in the progress of this plan.	3.2.4	<input type="checkbox"/> Complied <input type="checkbox"/> Not Complied	12	There is a documented plan to develop the capacity and capability of the charity and the Board members in the progress of this plan.	3.2.4	<input type="checkbox"/> Complied <input type="checkbox"/> Not Complied



Charity Tiered Guidelines

Code of Governance for Charities & IPCs





What is “Conflict of Interest”

Conflict of Interest

“ A conflict of interest arises when the personal interests of the member/staff may potentially interfere with the performance of his/her duties in the charity. When actual, potential or perceived conflict of interest arises, the integrity, fairness and accountability of the person may be affected, which could impede the best interest of the charity.

CONFLICT OF INTEREST

GENERAL PRINCIPLE

Board members and staff should act in the best interests of the charity. Clear policies and procedures should be set and measures be taken to declare, prevent and address conflict of interest.



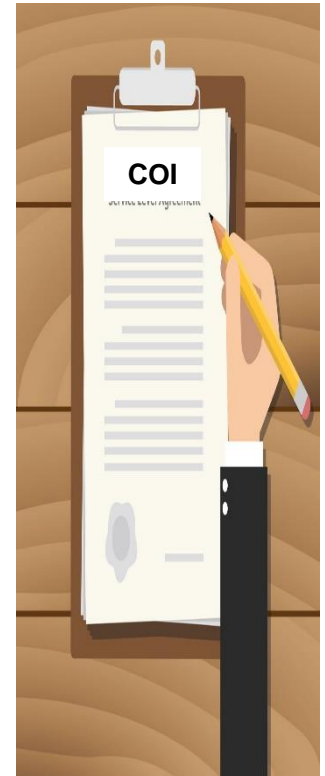


Conflict of Interest Code Guidelines

Conflict of Interest

[Basic: This applies to all charities with gross annual receipts (GAR) or total expenditure (TE) of \$50k and above, and all IPCs]

- 2.1 The charity should set in place **documented procedures** for Board members and staff to declare actual or potential conflicts of interest to the Board at the earliest opportunity.
- 2.2 Board member or staff should **not be involved** in setting his/her **own remuneration**.





Conflict of Interest Code Guidelines

Conflict of Interest

[Basic: This applies to all charities with gross annual receipts (GAR) or total expenditure (TE) of \$50k and above, and all IPCs]

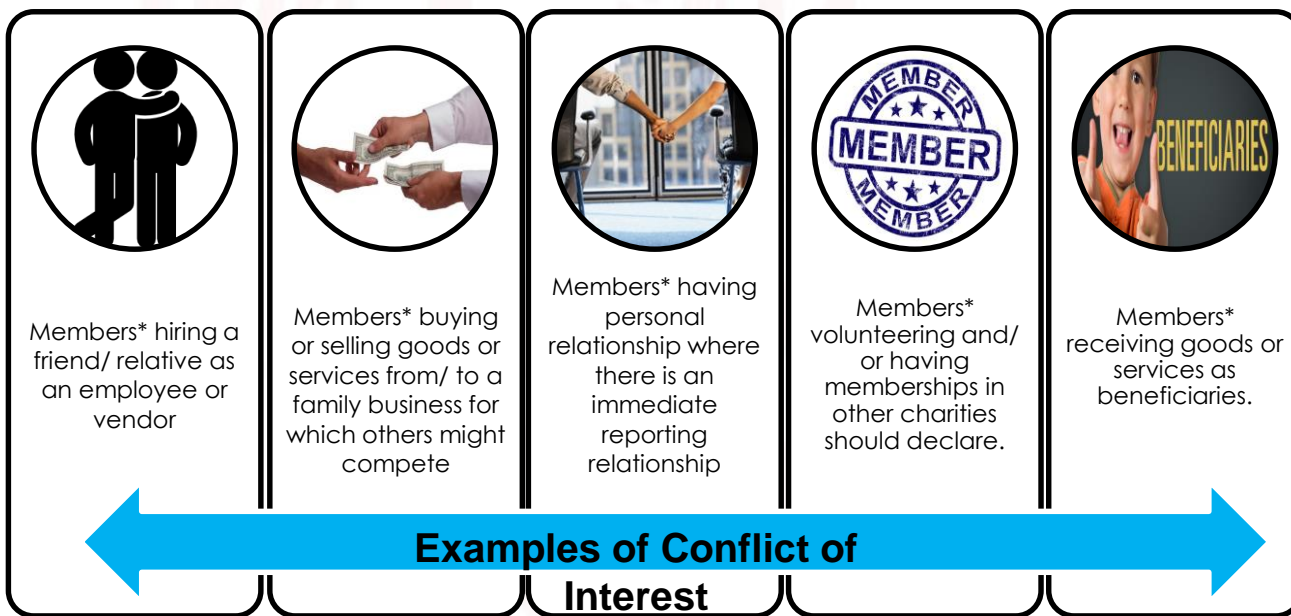
- 2.3 There should be special procedures to deal with the conflict of interest when Board members have any interest:
 - In **business transactions or contracts** that the charity may enter into;
 - In other organisations that the charity has dealing with/is considering entering into **joint ventures** with;
 - As the charity's **suppliers, service users, beneficiaries or staff.**





Conflict of Interest Code Guidelines

Conflict of Interest



Source : Social Service Institute

* A member refers to a board member, management member, staff member or volunteer member.



Conflict of Interest Code Guidelines

Conflict of Interest

[Basic: This applies to all charities with gross annual receipts (GAR) or total expenditure (TE) of \$50k and above, and all IPCs]

- 2.4 Where a conflict of interest arises at a Board meeting, the Board member concerned **should not vote** on the matter **nor participate** in discussions. He/she should recuse from the meeting. The reason for how a final decision is made should be **recorded in the minutes** of the meeting.





Conflict of Interest Code Guidelines

Conflict of Interest

[Basic: This applies to all charities with gross annual receipts (GAR) or total expenditure (TE) of \$50k and above, and all IPCs]

- 2.5 Any appointment of staff who is a **close member of the family** of the current Board members or staff should undergo the established human resource procedures for recruitment, performance evaluation and remuneration. Board members or staff should make a **declaration of such relationships** and not influence decisions made during these procedures.





CASE STUDY 1

Conflict of Interest

Charity A has a documented COI policy. The charity does not record nor maintain documentations of Board member/ staff COI declarations. Board meeting minutes do not reflect that conflicted individuals have abstained from the decision making and recused themselves from the meeting.

What can be done better?

- A. Charity does not have COI policy.
- B. Charity does not document that its COI Policy has been adhered to when a conflict of interest arises at a Board meeting.**
- C. Nothing is wrong.



CASE STUDY 1

Conflict of Interest

- **Problem:** Lack of documentation of COI processes.
- **Improvements:**
 - Minimally an annual declaration of COI and also when any changes occur.
 - These declarations should be documented.
 - Board meeting minutes should document when COI processes are followed (e.g. that XX who is an interested party had stepped out from the meeting when the relevant matter was being discussed).



CASE STUDY 2

Conflict of Interest

Mr Tan is a Board member of Charity B. He is remunerated for his professional services to Charity B as an instructor. This COI is declared and made known to Charity B's Board.

Charity B tables the proposed remuneration and fees for its instructors at Board meetings for approval. The proposed fees are also compared with market rates.

Mr Tan participates in the Board meetings where the remuneration and fees for his professional services are being discussed and approved.



CASE STUDY 2

Conflict of Interest

What can be done better?

- A. Mr Tan did not declare his COI.
- B. Mr Tan should render his professional services pro bono.
- C. **Mr Tan should abstain from participating in the Board discussion and also recuse himself from the meeting when the COI arises at the Board meeting.**



CASE STUDY 2

Conflict of Interest

- **Problem:** Person with COI involved in decision making / procurement decision.
- **Improvements:**
 - Person with COI must not be involved in the decision making process.
 - Best practice would be for the person with COI to recuse himself from the meeting.



CASE STUDY 3

Conflict of Interest

Ms Chan, a Director in Charity C, recommended her niece to work in Charity C after her graduation. Her niece underwent the usual HR recruitment procedure and was offered the job as she was the best candidate.

Ms Chan was one of the Directors who approved the job offer and remuneration package.

As Charity C's COI declaration form did not ask for declaration of family relationships, this declaration was not made. Ms Chan was doubtful, but did not make the declaration to the Board.



CASE STUDY 3

Conflict of Interest

What can be done better?

- A. Nothing wrong as the job offer was given to the best candidate.
- B. Nothing wrong as the charity's COI declaration form did not require disclosure of family relationships. Furthermore Ms Chan did not consider her niece as 'close member of the family'.
- C. Ms Chan should still declare the COI and abstain from decision making.**



CASE STUDY 3

Conflict of Interest

Problem: Any appointment of staff who is a close member of the family of the current Board members or staff should undergo the established human resource procedures for recruitment, performance evaluation and remuneration. Board members or staff must not influence decisions made during these procedures.

Improvement:

- Close members of the family of a person are those family members who may be expected to influence, or may be influenced by, that person in their dealings with the charity.
- In situations where members are unsure what to declare or whether/ when the declaration needs to be updated, they are strongly encouraged to err on the side of caution by making a declaration or seek advice from the Board.
- The charity's COI declaration form should minimally require declarations of close family relationships.
- COI declarations should be made when the need arises.



KEY MESSAGE

Conflict of Interest

**“When in doubt,
just declare”**





Board Skills & Competencies Code Guidelines

Board Governance

[Intermediate: This applies to all charities with gross annual receipts (GAR) or total expenditure (TE) from \$50k and above, and all IPCs]

1.1.11 The Board should comprise members who possess suitable:

- **Personal attributes** like integrity, mature confidence and high standards of excellence;
- **Core skills or competencies** like accounting, finance, legal, human resources, business and management, strategic planning, fundraising, communications and relevant sectoral knowledge (health, social services, education, arts / heritage, sports, youth, religion, the environment etc); and
- **Commitment** necessary to govern the charity effectively.
- Board members should attend relevant training to develop these competencies and keep abreast of relevant new laws and regulatory requirements. The Chairmen of both the Audit and Finance Committees, and the Treasurer should preferably have recognised accounting qualifications and / or appropriate practical experience.

Enhancing Board Skills & Competencies Board Governance

Personal attributes like integrity, mature confidence and high standards of excellence;

Core skills or competencies like accounting, finance, legal, human resources, business and management, strategic planning, fundraising, communications and relevant sectoral knowledge; and

Commitment necessary to govern the charity effectively.



Where & How to find these People



Ref: Code of Governance for Charities & IPCs



Enhancing Board Skills & Competencies Board Governance

BOARD*Match*®

designed to address and
build leadership capacity,
diversity, continuity and renewal
at the board level of NPOs.



Enhancing Board Skills & Competencies Board Governance

Today...

770 successful matches to date

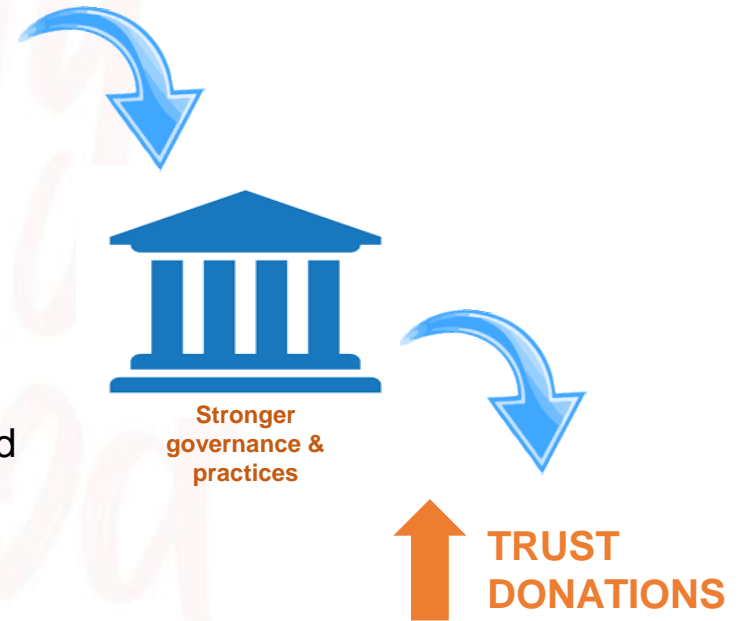
covering functions such as **Finance**,
Strategy, **Human Resources**,
Talent Management, **Legal**,
Fundraising, **Marketing &**
Communications, **Quality**,
Education, etc.



Enhancing Board Skills & Competencies Board Governance

Benefits of BoardMatch

- Bring diversity and renewal to your NPO Boards / Committees
- Role model good governance with an independent sourcing channel
- Gain access to a network of highly experienced and committed leaders
- Gain best practice knowledge from varying sectors and industries
- Leverage CNPL's insights and experience in capacity building





Reach Us

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Thank you



Panel Discussion: How Can Your NPO Build Sustainable Growth Through Good Governance?

Advocates for the Arts Legal Clinics

Building capacity in the non-profit, charitable and social enterprise sector through pro bono corporate advice and assistance, so community organisations can flourish.

Are you a creative freelancer or an art community organization in Singapore need of basic legal advice and information on operational issues*?

If so, you are eligible to see a pro bono lawyer for a 45-minute general legal guidance session. Legal Clinics can be very useful for community organisations that are seeking legal advice and would like to speak to a lawyer, but do not need anything drafted or legal representation.

Email: assistnpos@lawsocprobono.org

Download a Copy of AFA



**Includes Charity, Voluntary Welfare Organisation, Social Enterprise. The organisation's activities should be beneficial to the community in Singapore as a whole, and not confined to sectional interests or group of persons based on race, creed, belief or religion.*



“Why did I come here? Well, it did say ‘Pro-Bono’ on your front door...”



Presentation & Quiz: CMF 2019 Application Update

By Charlotte Koh & Zeng Yulin
CMF Secretariat

CMF-Charity Council Engagement Session

CMF 2019 Application Update

Tuesday, 23 April 2019

10 square Auditorium @ Orchard Central

By Ms Charlotte Koh and Mr Zeng Yulin

Presentation Table of Contents

S/N	Item
1	Overview of Cultural Matching Fund
2	CMF Application Process
3	Assessment of Applications for above the first \$300,000 based on Cultural Sector Priorities
4	Updates to CMF Application Form & Annexes
5	Quiz

1. Overview of Cultural Matching Fund

Overview of Cultural Matching Fund

- Established in 2013 with an initial tranche of \$200m to provide dollar for dollar (1:1) matching for private cash donations to arts and heritage charities and Institutes of Public Character (IPC).
- First application window was in May 2014.
- Primary objective when the CMF was set up was to encourage cultural philanthropy and thereby develop a sustainable arts and culture ecosystem in Singapore.

Key Milestones of CMF

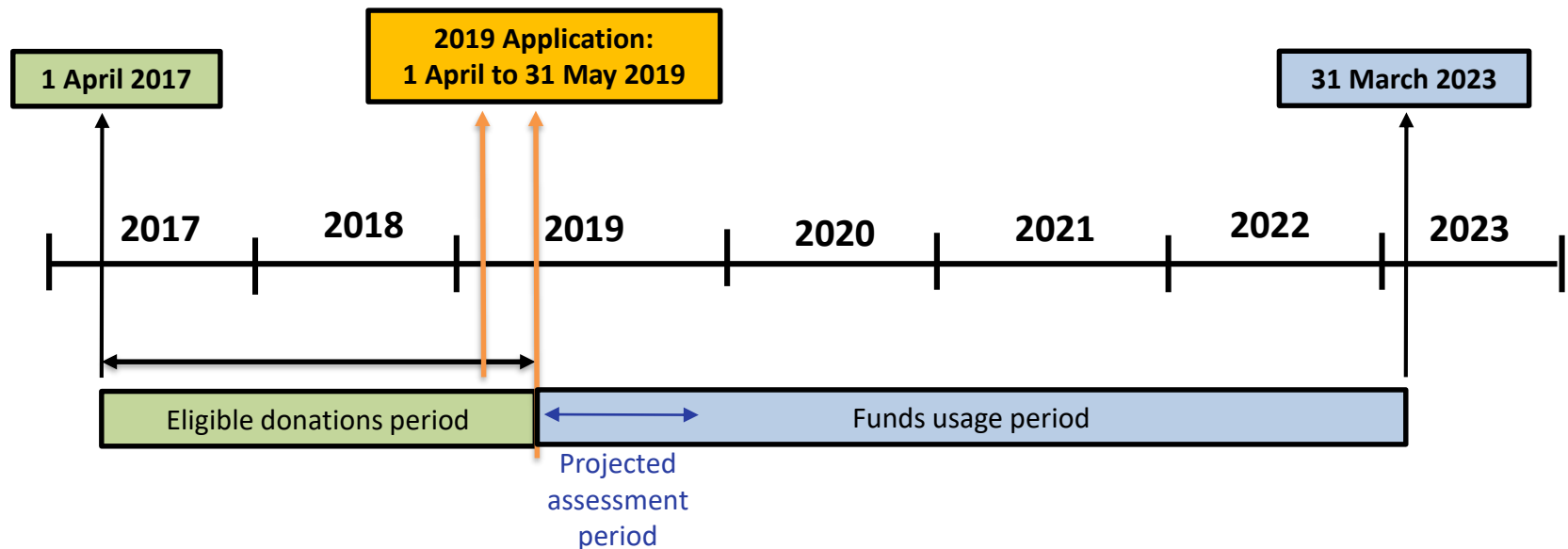
2013	2014	2015	2016	2017	2018	2019
<ul style="list-style-type: none"> • Establishment of CMF with \$200m injection 	<ul style="list-style-type: none"> • 2 applications: -May 2014 -Sep 2014 	<ul style="list-style-type: none"> • 2 applications: -Mar 2015 -Sep 2015 	<ul style="list-style-type: none"> • 2 applications: -Mar 2016 -Sep 2016 	<ul style="list-style-type: none"> • CMF top-up of \$150m from MOF • Review of CMF scheme • 1 application: -Mar 2017 	<ul style="list-style-type: none"> • 1 application: -Apr 2018 	<ul style="list-style-type: none"> • 1 application: - Apr 2019

2. CMF Application Process

CMF Application Process

- 1 cycle per year
- Application opens from 1 April onwards
- All applications to be submitted to CMF by 31 May
- Application are divided into two parts:
 - Part 1: First \$300,000
 - Part 2: Above first \$300,000

2019 Application Process and Timeline



3. Assessment of Applications For Above The First \$300,000 based on Cultural Sector Priorities

Assessment of Applications For Above The First \$300,000 based on Cultural Sector Priorities

1. Are of high standards of excellence – impactful, able to engage audiences, fill critical gap
2. Engage different segments, including under-reached communities, developing audiences beyond once-off attendance
3. Encourage sustainability, such as instilling sense of ownership in our arts and heritage among Singaporeans, improving organisational capabilities like innovation, corporate governance, business development and so forth.
4. Promote greater sense of shared identity and pride, deepening understanding of our multicultural society
5. Contribute to building of a more caring and cohesive society such as by bridging different communities, fostering inter-cultural understanding

4. Updates to CMF Application Form & Annexes

Updates to CMF Application Form & Annexes

1. Donations submitted for matching must be on cash basis.
2. Cash donations with benefits should take reference from the IRAS guidelines on the assessment of the value of benefit. The commercial value of a benefit, as treated in the tax guidelines, will not be eligible for the matching grant.
3. Foreign donations converted to SGD and reflected on audited financial statements can also be matched.

Updates to CMF Application Form & Annexes

- Emphasis on qualifying cash donations that are eligible for matching with CMF
- Existing donations that do not qualify for matching by CMF:
 - Government grants (Government or Statutory Boards, including Tote Board, Community Chest, President’s Challenge or similar entities)
 - Grants that have been matched previously by the CMF and/or other government grants that allocate funds based on raised income (e.g. matching tertiary institution donations, conditional/matching component within NAC and Tote Board grants specific to raised income)
 - Donations that are raised through activities that are deemed adverse to the cultural sector and/or Singapore
- Other monetary contributions that do not qualify as a qualifying cash donation for CMF matching:
 - Sponsorship
 - Earned income (eg. Event fees)
 - Donations received by the organisation prior to being registered as a Charity

Updates to CMF Application Form & Annexes

Use Of The Cultural Matching Fund

- All matching grants must be utilised within the stipulated deadline by 31 March 2023.

5. Quiz

Quiz Questions

1. Sponsorship

Charity X received a sum of \$100,000 in cash from Organisation Y due to a Sponsorship Agreement signed between X and Y towards a programme in 2019.

Question: If Charity X is able to assess that the value of the benefits is worth \$30,000, how much can Charity X apply for CMF?

- a) \$100K
- b) \$70k
- c) Not eligible for CMF

Quiz Questions

Answer: Option C

Explanation: As a Sponsorship Agreement with sponsor entitlements was signed between both parties, it is not a Donation. One may only deduct the fair market value from the benefit if it is a Donation to begin with. To further understand the concessionary tax treatment of donations with benefits, please refer to IRAS e-tax guide or consult your Sector Administrator for the Arts & Heritage sector (Charities Unit).

A Sponsorship Agreement typically include, among other benefit, a list of sponsorship entitlements such as title sponsorship, advertisement benefits and an industry exclusivity for the Sponsor where any form of funding from any companies of the same industry shall not be accepted by the Charity.

Quiz Questions

2. Donations with benefits

Charity X received a donation of \$30,000 in cash from Organisation Y on 1 November 2018. This was in response to a donation request letter sent by Charity X. Upon receiving the donation, Charity X issued a Thank You Letter to Organisation Y. No agreement of any kind was signed between X and Y. To thank Organisation Y, however, Charity X gave them a painting that is commercially sold for \$1,000 inc GST.

Question: How much can Charity X apply for CMF?

- a) \$30,000
- b) \$29,000
- c) Not eligible for CMF

Quiz Questions

Answer: Option B

Explanation: Where the souvenirs or gifts are commercially available, tax deduction on the difference between the amount donated and the price of the souvenir or gift inc. GST is allowed to the donor. Charity X is only eligible to apply \$29,000 for CMF matching.

Note: The souvenir or gift will not be considered as sold commercially if it: (a) is specially made for a particular fund-raising event and not available for sale in the market; (b) bears the logo of the fund-raiser or; (c) carries the fund-raising message.

Quiz Questions

3. Grants

Charity X received a sum of \$50,000 in cash from a private Foundation Y on 1 December 2018 through a successful Grant application call by Foundation Y. Both parties signed an Agreement which requires Charity X to meet certain KPIs. The agreement also details a payment schedule and includes a requirement for annual report on fund expenses. In addition, any breach on this Agreement allows the Foundation to recover all or part of the grant.

Question: Is the \$50,000 grant received by Charity X eligible for matching by CMF?

Quiz Questions

Answer: **Not eligible**

Explanation: Grant that comes with explicit conditions such as reporting on the usage and carries rights by the Foundation to recover the Grant is not Donation by definition.

Quiz Questions

4. Matching from other Government Grant

Charity X raised \$100,000 in cash from a Gala dinner organised by X in December 2017. Subsequently, X applied for a matching grant from Tote Board and successfully received a 30% matching grant (i.e. \$30,000).

Question: How much of the \$100,000 raised from the Gala dinner can Charity X apply for CMF?

- a) \$100,000
- b) \$70,000
- c) Not eligible for CMF

Quiz Questions

Answer: Option C

Explanation: The full \$100,000 is deemed to have been matched by a government (Tote Board) grant that allocates funds based on raised income. In other words, the same donation that was used to unlock 30% matching from Tote Board, cannot be re-submitted for matching for CMF.

Quiz Questions

5. Eligibility of Donation

On 1 April 2019, Company A provided a written donation letter to Charity B, pledging to donate a sum of \$30,000. The donation was received in B's bank account on 15 June 2019.

Question: Charity B plans to submit the \$30,000 for CMF matching during the 2019 application. Would that donation be eligible?

Quiz Questions

Answer: **Not eligible**

Explanation: CMF rule requires the donation amount to be received into the applicant's bank account during the qualifying period (1 Apr 2017 – 31 May 2019) to be eligible for CMF matching.

Same principle will apply for donation made via Giving.sg

Quiz Questions

6. Conflict of Interest

Mr X is a Board member of Charity Y and Mr X donated to Charity Y on 15 January 2019 a sum of \$10,000 in cash.

Question: Is Charity Y required to declare a conflict of interest of this donation in the CMF application form?

Quiz Questions

Answer: Yes

Explanation: Mr X is affiliated to Charity Y in his capacity as a Board member of Charity Y and thus this conflict of interest must be declared.

Quiz Questions

7a. Conflict of Interest

Mr W is a staff of Charity Y and Mr W donated to Charity Y on 16 January 2019 a sum of \$2,000 in cash.

Question: Is Charity Y required to declare a conflict of interest of this donation in the CMF application form?

Quiz Questions

Answer: Yes

Explanation: Mr W is affiliated to Charity Y in his capacity as a staff of Charity Y and thus this conflict of interest must be declared.

Quiz Questions

7b. Conflict of Interest

Mr W is a staff of Charity Y and Mr W donated to Charity Y on 16 January 2019 a sum of \$2,000 in cash.

Question: Is Charity Y allowed to utilise the CMF matching grant to pay Mr W's salary or bonus?

Quiz Questions

Answer: No

Explanation: Round tripping to benefit the donor such as through salary increments and bonuses is not allowed. Neither the donation of \$2,000 nor any CMF grant received should be given back to staff as \$2,000 bonus, or equivalent in salary increments.

Quiz Questions

8. Conflict of Interest

Mr A is a Board Director of Charity Y and Company Z. Company Z is also a vendor to Charity Y. On 28 February 2019, Company Z donated a sum of \$5,000 in cash to Charity Y.

Question: Is Charity Y required to declare a conflict of interest of this donation in the CMF application form?

Quiz Questions

Answer: **Yes**

Explanation: Charity Y is affiliated to Company Z through the relationship of Mr A and thus this conflict of interest must be declared.

Note: The Charity should be mindful of its internal control and governance over procurement policies and processes to mitigate possible round tripping intention. CMF takes a serious view about potential round tripping by Charities.

Quiz Questions

9. Milestone Reporting

On 16 March 2019, Charity S issued a cheque of \$5,000 for payment for its core production's expenses to Company T. As at 31 March 2019, Charity S' bank statement shows that the \$5,000 is yet to be deducted from its CMF bank account.

Question: Is Charity S required to report the core production expense of \$5,000 in its milestone report ending 31 March 2019?

Quiz Questions

Answer: No

Explanation: The reference date to determine whether a particular expenditure is to be included in a milestone report is its actual date of payment. Since the cheque is yet to be encashed by the vendor as at 31 March 2019, the \$5,000 is not considered to be paid and thus the Charity is not required to report such expense in it milestone report ending 31 March 2019.

Quiz Questions

10. Milestone Reporting

On 1 October 2018, Charity S made a purchase of office computers for \$2,000. This purchase of \$2,000 is applied in its 2018 CMF application and is subsequently approved by CMF. As the CMF matching grant was only disbursed to Charity S on 1 December 2018, Charity S had made the payment for the purchase through its own operating bank account on 1 November 2018. Subsequently on 5 December 2018, Charity S made a reimbursement transfer of the \$2,000 from its CMF dedicated bank account to its own operating bank account.

Question: Is Charity S required to report the purchase of office computers in its milestone report ending 31 March 2019?

Quiz Questions

Answer: Yes

Explanation: The reference date to determine whether a particular expenditure is to be included in a milestone report is its actual date of payment. The actual payment of \$2,000 for the purchase of office computers is made on 1 November 2018 which is within the milestone reporting period of 31 March 2019. The Charity is required to report such expense in its milestone report ending 31 March 2019.

Thank you

End of Session Thank You!

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