

AUSTRALIA CULTURAL FUND

Australia Business Arts Foundation (AbaF) has the authority to operate the Australia Cultural Fund under Division 30 of the Income Tax Assessment Act 1997.

The Australia Cultural Fund:

- receives donations for cultural purposes which provide tax deductibility to donors
- makes grants to bona fide arts practitioners and organisations (irrespective of whether that organisation has Deductible Gift Recipient (DGR) status or not)
- takes into consideration the preferred cultural organisation or arts practitioner of the donor.

Before making a grant from the Fund, the AbaF Board is obliged to satisfy itself that:

- the recipient is a bona fide, not-for-profit arts body or bona fide arts practitioner; and
- the funds to be granted will be used to further Australia's cultural life.

Where a donor wishes to give to a cultural organisation that has gift deductible status, AbaF encourages them to make the gift directly to that organisation.

Where a donor wishes to make a donation to an arts practitioner or a cultural organisation that does not have gift deductible status, the following process will be followed:

- the potential donor advises of their interest in giving to a particular cultural organisation or arts practitioner
- the potential donor is advised that the cultural organisation or arts practitioner under consideration will need to be assessed as to whether they meet the criteria
- the criteria against which arts organisations will be assessed is:
 - a) is the organisation a bona-fide cultural organisation?
 - b) is the organisation engaged in the pursuit of quality cultural activities?
 - c) is the organisation an incorporated, not for profit body?
- the criteria against which arts practitioners will be assessed is:
 - a) is the arts practitioner a bona-fide practising artist?
 - b) is the arts practitioner engaged in the pursuit of quality cultural activities?
 - c) what assurances are there that the gift will be used for the designated purposes?
- where an arts organisation or arts practitioner has received a grant within the last 3 years from the Australia Council or other Commonwealth, State, Territory or local government arts funding agency, it will be deemed to have met the first two criteria
- where the cultural organisation or arts practitioner has not recently received a grant, professional associations and funding bodies may be consulted
- AbaF staff will assess the arts practitioner or cultural organisation and advise the potential donor as to whether the preferred recipient is likely to meet the eligibility criteria
- where the donor decides to proceed with a gift, they will make the donation to AbaF submit it with a note expressing their preference for the particular cultural organisation or arts practitioner
- when AbaF receives the donation, an assessment report will be prepared on the organisation or practitioner for the AbaF Board with a recommendation that the Board make a grant to the preferred recipient
- the AbaF Board will then determine whether the Fund will make the grant to the preferred recipient, commensurate with the donation received
- when the Board determines that a grant will be made, AbaF issues a receipt for the donation and negotiates a grant agreement with the recipient organisation or practitioner
- the recipient organisation or practitioner will provide a report (or regular reports as appropriate) to AbaF and to the donor on the outcomes of the donation.

fact sheet

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