



Auspicing Guidelines

Red Hot Arts Central Australia

Purpose of auspicings agreements

The purpose of auspicings agreements is to establish a formal agreement between Red Hot Arts (RHA) and the Auspicee and document the conditions under which auspicings takes place. Auspicings occurs when a group or an individual are not incorporated and want to apply for funding from a funding body that will only fund incorporated organisations. In this instance, Red Hot Arts may act as the incorporated organisation on behalf of the group/individual and receive the grant money into our bank account. Red Hot Arts is then responsible for ensuring the funded project is completed and the grant is acquitted.

Auspicing agreements are an important legal document because Red Hot Arts is financially responsible for the grant money and legally liable if something goes wrong. Each auspicings relationship is different and hence agreements may vary case-by-case. In signing an auspicings agreement, the Auspicee acknowledges that they have read, understood and agreed to the conditions of the agreement, and that all persons associated with the Auspicee are bound to the conditions agreed upon.

Membership

To be auspiced by Red Hot Arts, you must first be a member. Artist membership is \$44 per year, Non-Profits \$165 and Business Membership is \$275. More information on membership can be found at <https://www.redhotarts.com.au/get-involved/membership/>

Letter of support

Auspicing relationships often begin with Red Hot Arts providing the Auspicee with a letter of support for the funding application. The Auspicee should pre-draft this letter, clearly outlining and describing what their project is, how it aligns with the funding body's objectives and the benefits the project brings. Red Hot Arts will then edit this letter accordingly and provide you with a signed copy on letterhead.

Project plan & budget

Once funding has been approved and the auspicings relationship is about to begin, the Auspicee will be required to submit to Red Hot Arts a project plan and budget, including a timeline. This should describe your project, outline your timeline and demonstrate a proposed budget. The following format may assist in writing this plan:

Project title:
Short project summary:
Project completion date:
Acquittal date:
Funding amount:
Funding body:

Auspicee contact details

The Auspicee needs to also provide Red Hot Arts with a key contact person and organisational details (if applicable). The key contact is the person authorised by the Auspicee who is responsible for communicating directly with Red Hot Arts, for the Auspicee's financial administration, such as

providing invoices, superannuation and banking information. The key contact is usually the person overseeing and delivering the project.

Organisation/group/individual name:

ABN:

Key contact:

Email:

Phone:

Address:

Auspicings fee

Our auspicings fee is **7%** of total grant money up to \$20,000 and **12%** for grant money over \$20,001.

RHACA's responsibilities

By agreeing to auspicings grant money, RHA's responsibilities are to:

- a. accept grant monies on behalf of the Auspicee into our bank account
- b. pay valid tax invoices presented to RHA by the Auspicee from the grant monies, in accordance with the funding body's conditions
- c. pay invoices via EFT or BPAY only
- d. provide the Auspicee with financial statements at the end of the project that clearly shows how the funds were spent, for acquittal purposes
- e. provide interim financial reports to the Auspicee if requested or as specified in the project timeline
- f. provide the funding body with the required financial acquittal information and submit the acquittal documents

The Auspicee's responsibilities

By entering an auspicings agreement with RHA, the Auspicee's agrees to:

- a. complete all aspects of the grant application
- b. deliver the project approved by the funding body
- c. provide Red Hot Arts with a copy of the funding agreement, their letter of offer, a project plan (including timeline) and budget, as approved by the funding body
- d. provide Red Hot Arts with regular updates of the project when requested
- e. provide Red Hot Arts with valid tax invoices relating to the project and directly reflected in the approved budget for payment at least 10 business days before their due date (or Statement by Supplier forms if the contractor does not have an ABN)
- f. ensure that project costs do not exceed the budget. Red Hot Arts will not pay any invoices for expenditure that exceeds the approved budget amount.
- g. tell Red Hot Arts immediately if the project is cancelled or postponed
- h. ensure that any variations to the project or budget are approved by the funding body and give Red Hot Arts evidence of their approval, along with updated project plan/budget
- i. complete all relevant acquittal documents and provide them to Red Hot Arts in the required format at least 7 days before the acquittal deadline
- j. pay for any audited financial reports if required by the funding body
- k. ensure the project complies with all relevant WHS laws and public health mandates, including provisions for COVID

- l. ensure that their obligations in the auspicing agreement with RHA are met. RHA will not pay invoices if contractual obligations are not met.
- m. display the Red Hot Arts logo on all related advertising and promotional material, and acknowledge Red Hot Arts as supporters of the project in any public announcements or speeches

How the money works

Once approved, grant monies are paid into our bank account and all project costs are paid directly from this money. The Auspicee must give RHA valid tax invoices (or Statement by Supplier forms) at least 10 business days before the payment is due. Red Hot Arts does not accept any responsibility for late fees associated with invoices that are not provided to us in a timely manner for payment. Red Hot Arts will only pay invoices that are directly related to the approved budget and only if the Auspicee is meeting its obligations under the auspicing agreement and the grant conditions. Red Hot Arts is not liable for any deficit grant monies not received from the funding body.

Red Hot Arts will provide the Auspicee with regular financial statements tracking money spent, as outlined in the project timeline, or as requested. Please note, the Auspicee must give Red Hot Arts at least 5 business days' notice when requesting a financial statement.

Any unexpended monies, minus our auspicing fee, will be returned to the funding body as per their conditions.

Paperwork & Acquittals – who does what?

The Auspicee is responsible for writing and submitting the funding application, including drafting a letter of support for RHA to sign if required. During the project, the Auspicee is responsible for documenting any evidence required by the funding body and providing a report for the final acquittal. Documents required for the final acquittal must be provided to RHA in the defined format at least 5 business days before the acquittal due date. It is the Auspicee's responsibility to ensure that these documents are completed on time.

RHA is legally responsible for the grant monies and the final acquittal. We will submit the financial documents and with the Auspicee's reports to the funding body by the due date and provide copies of these to the Auspicee for their records.

RHA must be informed of any variations required during the project before formally requesting a variation from the funding body. The Auspicee is responsible for communicating with the funding body, providing all relevant documentation including new timelines and budgets, and ensuring evidence of approval is obtained from the funding body. The Auspicee must then provide Red Hot Arts with a copy of the funding body's variation approval, a new project plan and budget.

Insurance

The Auspicee must provide evidence of insurance for the project if required by the funding body. Generally, a minimum of \$20,000,000 public liability, covering the specific activities of the project, is required, along with worker's compensation for workers, artists and contractors, and volunteer insurance, if relevant. The exact type and amount of insurance will vary according to the nature of the project and the funding body's conditions.

If the cost for insurance is part of the approved budget, payment will be made for the Auspicee to purchase the insurance as per the budget, but no further payments will be made until proof of insurance is provided.

Breaches of the agreement

Either party has the right to end the auspicing agreement if the other party breaches any part of the agreement at any time during the project. In this case, termination of the agreement must be given in writing – the other party has two weeks to rectify the issue or create a plan for rectifying it.

Red Hot Arts also has the right to end the agreement if disparaging comments about the organisation are made on any platform.

AUSPICING CHECKLIST:

Before

- Gain Red Hot Arts permission to auspice funding
- Write a draft letter of support and give to Red Hot Arts for completion (if required)
- Submit funding application

Funding approved

- Give copies of funding agreement and letter of offer to RHA
- Give a copy of the project plan, timeline and approved budget to RHA
- Sign copy of Auspicing Agreement

During the project

- Document evidence of the project for evaluation and acquittal purposes
- Obtain valid tax invoices for services and contractors and submit to RHA
- Give any superannuation or other banking details to RHA, if applicable
- Display RHA's logo on any promotional material and acknowledge RHA in public announcements or speeches

On project completion

- Write acquittal report in line with funding guidelines and submit to RHA