

**Arts Capacity Development Funding Scheme (ACDFS) –
13th Round Funding Exercise (2023)
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Nature and Scope of the Funding Scheme

1. What kinds of activities will the ACDFS support?

The ACDFS will fund innovative and impactful arts and cultural activities as well as proposals aiming to develop the capacity of arts groups and nurture local artists. It seeks to promote a variety of art forms and practices, including performing arts, visual arts, multi-disciplinary arts, community arts, arts education/appreciation/promotion, arts administration and arts technology.

The ACDFS welcomes proposals which:

- are of a large scale and/or with a long time frame with a view to creating a greater impact on the arts scene of Hong Kong;
- contribute to the applicants' capacity development of a wider scope, such as enhancing capacities in creativity, human resources and organisational capabilities;
- seek to develop the capacity of specific art form(s) and/or the arts sector as a whole in addition to building the applicants' capacity;
- support local artists on cultural exchange with the Mainland and/or abroad and taking them to both the regional and international stage;
- encompass documentation, research, criticism, publication and/or other elements conducive to the sustainable development of the arts;
- pioneer new frontiers in art practices and related critical reflection;
- promote the convergence of arts and technology, e.g. to manifest the applicants' artistic vision and aspiration through the use of technology in a creative manner; and/or
- strive for artistic excellence and innovation in respect of programme/content development.

While the target beneficiaries of the ACDFS are established arts practitioners/arts groups, proposals which encompass training opportunities/elements to nurture young artists and/or arts administrators are also welcome.

The ACDFS does not cover projects that fall under the scope of other dedicated Government funding schemes including the Cantonese Opera Development Fund, CreateSmart Initiative, Film Development Fund, Innovation and Technology Fund, and Intangible Cultural Heritage Funding Scheme. Proponents of proposals seeking to promote Cantonese opera/film/intangible cultural heritage or to develop creative sectors (covering advertising, architecture, design, digital entertainment, publishing, printing and television), or innovation and technology projects not aiming at the

promotion and furtherance of arts development should make applications under the respective funding schemes instead.

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2. Are proposals required to meet all four main objectives of the ACDFS?

The ACDFS provides two types of grants: Springboard Grant and Project Grant. Proposals for Springboard Grant have to meet all four major objectives of the ACDFS viz. (i) capacity development of arts practitioners, arts groups, art forms and/or the arts sector; (ii) programme/content development; (iii) audience building; and (iv) arts education. As to proposals for Project Grant, they can be designed to meet only one or more of the objectives.

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3. What are the differences between Springboard Grant and Project Grant?

In general, the two types of grants under the ACDFS bear the following differences:

First, Springboard Grant is a matching grant while Project Grant is a direct grant. An applicant applying for Springboard Grant for the first time must demonstrate that it has secured or will secure a cash income of not less than \$750,000 Hong Kong Dollars, of which not less than \$250,000 Hong Kong Dollars is non-government sponsorships and/or donations in cash for matching for its proposal. Each successful applicant of Springboard Grant may apply for a second Springboard Grant, following the same requirements of cash income. For Project Grant, there is no minimum amount set on cash income.

Second, Springboard Grant is intended to support non-profit proposals which are designed to elevate applicants to a higher level of professional performance with enhanced deliverables capable of contributing to the four objectives of the ACDFS (viz. capacity development, programme/content development, audience building and arts education). Project Grant is intended to support non-profit proposals of high artistic/professional merit that fulfil one or more of the objectives of capacity development, programme/content development, audience building and arts education.

Third, should a second Springboard Grant application be approved, the successful applicant is not eligible to apply for any further Springboard Grant. Upon completion of the proposal funded by the second Springboard Grant, subject to the recommendation of the Advisory Committee on Arts Development (ACAD), the successful applicant would be admitted as

Graduated Springboard Grantee eligible for applying for the Art Development Matching Grants Scheme¹. For Project Grant, there is no limitation on the frequency of application.

Unless otherwise approved by the Government, the funding period of first Springboard Grant and Project Grant may last for a maximum period of two years. For second Springboard Grant, the maximum funding period is three years.

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4. What is the apportionment of the annual provisions between Springboard Grant and Project Grant?

The ACDFS does not set a fixed apportionment of funds between Springboard Grant and Project Grant. All applications, no matter to which category of grants they belong, will be assessed and selected on merit.

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5. Will regular activities be funded?

Funding existing regular activities is not a priority of the ACDFS. However, if the funds sought by these activities can significantly enhance the scale and effectiveness of the activities and achieve the objectives of the ACDFS (capacity development, programme/content development, audience building and arts education) to promote arts development, such applications will also be considered.

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6. What areas that the applicant should pay attention to when proposing an event intended to become an annual or regular occurrence?

For a proposal which relates to an event that is intended to become an annual or regular event, the applicant has to demonstrate that the grant applied will be used for a specified period. As mentioned in Section B - 3(C) of the application form, the applicant is required to (i) provide information which indicate the parts where significant and substantial changes and/or

¹ The Art Development Matching Grants Scheme (ADMGS) is a Government initiative introduced in 2016 to promote a culture of donation. Graduated Springboard Grantees will be eligible for the ADMGS if they succeed in soliciting the pledged amount of sponsorships and/or donations as specified in the prevailing Application Guide of the ADMGS during the one-year grant period. For information, according to the Application Guide of the 8th round ADMGS (2023-24), applicants have to secure a floor amount of \$200,000 Hong Kong Dollars sponsorships and/or donations for the grant to be disbursed on a 1:1.5 matching ratio and there will be an upper limit of \$4 million Hong Kong Dollars for the aggregate amount of the grant.

enhancements have been made to the proposal, including but not limited to details of its long-term plan in relation to the proposal; and (ii) acknowledge that it understands that the grant, if approved, may not be provided to fund future editions of the event.

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7. Will applications be allowed to carry a component of cultural exchange?

The ACDFS will consider proposals with cultural exchange components, for example, inviting Mainland and/or overseas artists to be resident artists of an organisation, or engaging in outbound arts and cultural exchange that take local artists to the regional and international stage. Nevertheless, applicants have to explain how such components can strengthen Hong Kong's cultural software and enhance the capacity of the local arts sector. Proponents of proposals solely aimed at conducting outbound exchange activities with the Mainland and/or abroad should consider applying for funding from the Hong Kong Arts Development Council's Cultural Exchange Grant which is dedicated to promoting cultural exchange.

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8. Will projects promoting literary arts be accepted for application? Are there any application categories not being accepted?

All proposals related to arts and culture are eligible for application, including proposals which promote literary arts. However, applications on Cantonese opera, film, intangible cultural heritage, creative industries, as well as innovation and technology projects not aiming at the promotion and furtherance of arts development will not be accepted as they fall under the scope of other dedicated Government funding schemes including the Cantonese Opera Development Fund, CreateSmart Initiative, Film Development Fund, Innovation and Technology Fund, and Intangible Cultural Heritage Funding Scheme respectively.

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9. In case the nature of proposal fits in with more than one category, which category should be selected?

An applicant should select a category that best describes the proposal's nature by taking into consideration its objective and content. For instance, an application for arts technology category should make use of technology in a creative manner to manifest the applicant's artistic vision and aspiration. If music accounts for a predominant portion in terms of the arts disciplines involved in a proposal, the music category may be selected; if a proposal involves multiple arts elements of similar portions, the applicant may go for

the category of multi-disciplinary arts. The Secretariat will arrange for the suitable assessment panel to assess an application according to the category selected by the applicant.

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10. Are there any restrictions on receiving non-government sponsorships, donations or advertisements?

The grantees shall not accept non-government sponsorships, donations or advertisements under the following circumstances: (i) in the reasonable opinion of the Government that the acceptance of the sponsorships, donations or advertisements may jeopardise the image or reputation of the Government; (ii) the sponsorships, donations or advertisements are from, or in association in any form or manner with, any person in the tobacco or tobacco-related industry, or any person in the smoking products (including electronic cigarettes and heat-not-burn products) industry or any industry related thereto; or (iii) the sponsorships, donations or advertisements are from any person in the alcohol industry for events specifically aimed at young people under 18.

Furthermore, the grantees shall not accept funds raised from, including but not limited to sponsorships, donations or advertisements, and not be in association in any form or manner with any activity that is likely to constitute or cause the occurrence of offences endangering national security, public interest of Hong Kong, public morals, public order or public safety, or would be contrary to the interest of national security, public interest of Hong Kong, public morals, public order or public safety.

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Matching Mechanism of Springboard Grant

11. What kinds of income are eligible for the matching grant?

Non-government cash sponsorships and/or donations secured for supporting the implementation of the proposal are eligible for matching. Other cash income eligible for matching includes revenue generated from the approved proposal, such as box office receipts, admission fees, enrolment fees, participation fees and sales of merchandise developed as an integral part of the proposal. Cash sponsorships and/or donations provided directly or indirectly for the proposal by any government funding source and from members of the grantee's Board of Directors are not eligible for matching.

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12. How does the matching grant work?

An applicant must set out clearly in the application form the sources of fund and income including but not limited to any non-government sponsorships and/or donations that it has secured or will secure, and to produce documentary proof to the satisfaction of ACAD and the Government that the claimed amount of income is achievable. Failure to provide documentary proof will render the application not to be considered.

The applicant must use the cash income to cover costs incurred by itself in implementing its proposal. It is required to indicate in the proposed budget the cash income which is expected to be received, as well as the expenditure items supported by the cash income during the funding period.

Springboard Grantees must deposit all committed income in the designated account set up for the approved proposal before the Government disburses the last instalment of the grant. The Government will disburse the grant by instalments, tying with appropriate milestones/deliverables, including proof of matching amount of income deposited and any other conditions attached when the grant is approved. The instalment schedule will be stipulated in the funding agreement to be entered into between the successful applicant and the Government upon mutual agreement.

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Eligibility and Application

13. What is a non-profit proposal?

The ACDFS proposals must be non-profit making, which means that the project income (e.g. box office receipts, admission fees, enrolment fees, participation fees, sales of merchandise developed as an integral part of the proposal, sponsorship and other sources of cash support) must not exceed the project expenditure to be solely used for the implementation of the project. Moreover, the grantees must maintain the non-profit nature of the proposal by returning residual funds or operating surplus to the Government upon completion of the proposal unless under special circumstances, the Government has approved the use of such funds.

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14. Who are eligible to apply for the ACDFS?

Successful applicants for Springboard Grant must be either (i) companies incorporated 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; or (ii) charitable institutions or trusts of a public character which are exempt from tax under section 88 of the Inland Revenue Ordinance (Cap. 112).

Successful applicants for Project Grant must be either (i) companies incorporated under the Companies Ordinance (Cap. 622) or the old Companies Ordinance (Cap. 32); (ii) companies incorporated 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; or (iii) charitable institutions or trusts of a public character which are exempt from tax under section 88 of the Inland Revenue Ordinance (Cap. 112).

Application submitted in the name of individuals will not be accepted. Applicants who are in the process of acquiring the legal status can submit the application and declare in the application form. The legal status must have been acquired by the applicant prior to entering into the funding agreement. The applicant will be required to provide documentary proof to the satisfaction of the Government that it has met the requirements.

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15. On what grounds will applications not be considered?

Applications will not be considered on any of the following grounds:

- (i) the Application is submitted in the name of an individual;
- (ii) the Application fails to provide the budget and cash flow projection in conjunction with the application form;
- (iii) the application for Project Grant does not meet the minimum requirement of overall projected expenditure at or above \$1 million Hong Kong Dollars;
- (iv) the applicant for Springboard Grant fails to provide documentary proof ascertaining the cash income from non-government sponsorships and/or donations secured or will secure in cash for matching; or
- (v) the applicant has engaged, is engaging, or is reasonably believed to have engaged or be engaging in acts or activities that are likely to cause or constitute the occurrence of illegal activities and/or offences endangering national security or otherwise the rejection is necessary in the interest of national security, or is necessary to protect the public interest of Hong Kong, public morals, public order or public safety.

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16. Will joint applications made by two or more groups be accepted?

The ACDFS will accept joint applications made by two or more applicants, but all the applicants must meet the eligibility requirements mentioned in [Q14](#) of this FAQ. Their respective responsibilities should be stated clearly in the application form and a principal applicant should be designated for the administration of the approved proposal.

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17. Is it possible for an applicant to submit applications for both Springboard Grant and Project Grant at the same time? Can more than one application be submitted?

Each applicant shall submit only one application, either in its name or in a joint application with other applicant(s) in the same round of application.

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 with a long time frame, which require the commitment of the grantees. A promising arts group/ensemble should make a 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 Grant or Project Grant that best suit their development stages.

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18. Can past or existing ACDFS Grantees submit applications in a new round of funding exercise?

Both past and existing ACDFS grantees can submit applications again, except that a Springboard Grantee who has successfully been granted Springboard Grant for two times is not allowed to apply Springboard Grant for the third time. Springboard Grantees, after completing two rounds of Springboard Grant, can still apply for a Project Grant.

Applications from applicants who are past/existing grantees will be considered in conjunction with their performance under the previous round(s) of funding exercise(s). 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. Besides, 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).

The applicant who has been granted Springboard Grant in previous round(s) of funding exercise and wishes to apply for a second Springboard Grant in this round of funding exercise is required to show how its proposal for application in this round of funding exercise will further elevate its professional performance/capacity on top of the outcome of the approved proposal implemented with the first Springboard Grant, and bring about continued development upon completion of the proposal implemented with the second Springboard Grant.

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19. Will the grantees of the Hong Kong Arts Development Council (HKADC)'s Eminent Arts Group Scheme/Year Grant Scheme or venue partners of the Leisure and Cultural Services Department (LCSD)'s performing arts venues be eligible to apply?

The grantees of the HKADC's Eminent Arts Group Scheme/Year Grant Scheme and venue partners of the LCSD's performing arts venues are eligible to apply. Proposals currently seeking/receiving non-cash support from other public funding sources² (e.g. venue support and ticketing services sponsored by the LCSD) may apply for the ACDFS as well.

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. The applicant should not include such expenditure items receiving other public financial support in the projected expenditure of the proposal. The applicant for Springboard Grant which is receiving a grant from the HKADC's Eminent Arts Group Scheme or Year Grant Scheme is required to declare in the application form and submit the information including the budget of the approved project under such HKADC's grant as documentary proof to support the application.

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20. Can proposals receiving funding support from the Government or other organisations be eligible for application?

Proposals which are financially self-sufficient may be given a lower priority unless the applicants can demonstrate how the ACDFS grant, if provided, will enable the proposals to better fulfil the objectives of the ACDFS. 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.

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² Public funding sources refer to funding provided by Government Bureaux/Departments or public organisations receiving recurrent funding from the Government (e.g. Culture, Sports and Tourism Bureau, Leisure and Cultural Services Department, Hong Kong Arts Development Council, Education Bureau, Social Welfare Department and District Councils).

21. The ACDFS does not accept applications from arts groups receiving recurrent subvention from the Government. What arts groups does this refer to? Will proposals involving such arts groups be considered?

Arts groups receiving recurrent subvention include the nine major performing arts groups³ currently funded by the Culture, Sports and Tourism Bureau and the Hong Kong Arts Festival Society whose operational costs are partially funded by the 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.

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22. Can applicants re-submit their applications that were rejected in previous rounds of application?

Applicants cannot re-submit their applications that were rejected in previous rounds of funding exercises, unless the applicant is able to demonstrate an in-depth review of the proposal by submitting new information and documents, indicating significant and substantial changes and/or enhancements that have been made to that proposal. A re-submitted application must be made by way of a fresh and a completed application form. The applicant must indicate in Section B - 3(D) of the application form changes that have been made to the original proposal without which the application will not be considered.

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23. Can the key player(s) of a proposal be involved in more than one proposal at the same time?

In principle, the ACDFS does not forbid the key player(s) of a proposal to participate in other proposals at the same time but would consider whether the player is capable of doing so and whether there may be potential conflicts in work schedule and workload. It is recommended that the applicant seeks each of the key players' prior consent regarding their participation in the applicant's proposal, and as far as practicable provides supporting documents (e.g. a letter of intent) demonstrating the artistic personnel's consent to participate in the project.

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³ They include: (i) the Hong Kong Philharmonic Orchestra; (ii) Hong Kong Chinese Orchestra; (iii) Hong Kong Repertory Theatre; (iv) Hong Kong Dance Company; (v) Hong Kong Sinfonietta; (vi) Hong Kong Ballet; (vii) City Contemporary Dance Company; (viii) Chung Ying Theatre Company; and (ix) Zuni Icosahedron.

24. Is the submission of letters of intent mandatory? Where can the template for a letter of intent be downloaded?

The applicant is advised to submit letters of intent if it proves to be helpful for assessing the feasibility of the proposal. There is no template or prescribed format for a letter of intent. It may be an email or any other form of written communication which demonstrates the artistic personnel's consent to take part in the project.

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25. What expenditure items can be included in the budget?

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, rental of venue 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 would be eligible for funding support. Operation or administrative costs incurred by the applicant's 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.

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26. There are three major expenditure categories: manpower, production costs and other project costs. Is there any recommendation guiding the allocation of grant budget?

There is no pre-determined apportionment of funds on different expenditure categories. The grantees will be given the freedom and flexibility in the deployment of funds to fulfil their artistic pursuit and meet with the genuine operational needs. When submitting the applications, applicants should be mindful that the proposed budget including income and expenditure is accurate, reasonable and realistic as well as showing prudent exercise of financial management and control. Sufficient funds should be allocated on essential areas including but not limited to programming, administration, marketing and financial management with a view to enhancing capacities in various aspects such as creativity, human resources and organisational capabilities.

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27. If the staff working on the approved project are already on the payroll of the applicant, can the applicant set aside part of their salaries and label them as administrative expenses to be reimbursed by the grants?

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.

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28. Is it required to use the standardised Excel table downloadable from the ACDFS webpage to prepare the budget and cash flow projection and fill in the “Budget of Individual Programme” spreadsheet of the Excel table?

Applicants must use the standardised Excel table to prepare the budget and cash flow projection as required in Section C of the application form. If the proposal consists of one main activity, the applicant should fill in the “Main Budget of Project” spreadsheet only. If the proposal consists of more than one activity, the applicant may choose to either fill in the “Main Budget of Project” spreadsheet with a clear income and/or expenditure breakdown of the activities, or present the breakdown with the “Main Budget of Project” and the “Budget of Individual Programme” spreadsheets respectively.

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29. How can I submit online applications?

Applicants can submit the e-Form, Budget and Cash Flow Projection in standardised Excel format, all information and supporting documents (if applicable) via the [online application system](#). For enquiries about online application, please refer to [“Points to Note”](#) or [“Common Enquiries on Online Application”](#) under the online application system.

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Assessment

30. How will the applications be assessed?

Applications which meet all the requirements set out in Chapter IV (Eligibility) of the Guide to Application of the ACDFS will be assessed in accordance with the criteria and guidelines approved by the ACAD. The assessment criteria include (i) artistic/professional merit, (ii) creativity and originality, (iii) impact on the arts sector and the community, (iv) technical feasibility, (v) capacity in financial planning and management and (vi) management ability of the applicant and the project team. Assessment panels comprising ACAD members and Expert Advisers including professionals, experienced arts practitioners and academics will help assess the artistic merit and related criteria. The applicant's performance in implementing the approved proposal under the previous round(s) of funding exercise(s), if applicable, will also be taken into consideration.

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31. Will all applicants be invited to attend interviews?

The assessment panels will decide whether the applicant and its project team are required to attend interviews.

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32. What are the ways to ensure the vetting process is free from conflict of interest?

A system of declaration of interests has been established for members of the assessment panels to comply with. Members will be refrained from the discussion and decision-making process should there be a conflict of interest.

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33. Can an applicant make revisions or provide supplementary information to its submitted application?

Before 6 pm on the Closing Date for application, an applicant can provide a complete replacement application in form to supersede the previous one. To ensure fairness in assessment, no revisions or supplementary information will be accepted after application is closed unless otherwise requested by the Government.

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34. When will the application result be announced? Can a project start before the announcement date?

Applicants will generally be notified of the results of application in writing within six months of the date when the application is closed. The successful applicant should start their projects within September to December of the same year when the result is announced.

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35. Is there a review mechanism under the ACDFS?

There is no review mechanism. After considering the recommendations of the ACAD in respect of the assessment results, the Government may either approve or reject the application. The Government's decision shall be **final**. The Secretariat of the ACDFS is responsible for the administrative work of the ACDFS. If applicants have any enquiries or feedback, please contact the Secretariat.

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Implementation and Monitoring

36. What will the Government do when a Springboard Grantee's actual cash income falls short of or exceeds the amount pledged in the application?

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 must return the surplus to the Government unless approval is granted by the Government at the recommendation of the ACAD on the use of the surplus for a purpose contributing to arts development in Hong Kong which is related to the scope and objectives of the approved proposal.

In the event the grantee fails to secure cash income that meets the minimum requirement stipulated in the funding agreement in terms of the total amount or the amount for non-government sponsorships and/or donations, the Government reserves the right to suspend or terminate the grant and require the grantee to reimburse part of or the entire grant received.

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37. How will the grants be disbursed?

The successful applicant 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 satisfactory accomplishment of appropriate milestones/deliverables. In addition, instalments of Springboard Grant will be disbursed only when the sponsorships and/or donations and other income for matching are actually in place in accordance with the instalment schedule agreed between the grantee and the Government, and stipulated in the funding agreement.

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38. What are the terms and conditions for the grants?

The successful applicant must have acquired the legal status prior to signing the funding 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.

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39. Will the monitoring system of the ACDFS impose significant administrative workload on the grantees?

It is necessary to put in place a monitoring system of the grantees' financial management and progress of project implementation to ensure the proper use of public funds. The grantees are expected to co-operate and communicate fully with the Secretariat of the ACDFS and to fulfil their obligations as stipulated in the funding agreement.

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40. Will additional grant be provided if the actual expenditure for implementing the proposal exceeds the estimated budget?

Under no circumstances will any additional grants be provided once the funding agreement is 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 funding 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 of the ACDFS immediately regardless of the estimated amount of overspending.

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41. Can equipment be procured for the purpose of implementing the proposal? How should such equipment be handled afterwards?

A grantee may follow prescribed procurement procedures to procure equipment and/or goods necessary for the implementation of the proposal as approved by the ACAD. Nevertheless, the grantee is required to properly maintain the equipment and/or goods at its own costs and keep a register of such equipment and/or goods. The equipment and/or goods must not be transferred, sold or disposed of without obtaining prior written approval from the Government. Unless otherwise agreed by the Government in writing, the grantee shall dispose of the equipment and/or goods of more than \$5,000 Hong Kong Dollars at the prevailing market price on an open and fair basis after completion of the approved proposal and before the submission of the financial statement and the audited account report. The sale proceeds from such disposal should be counted as revenue of the implemented proposal and reflected as such in the financial statement and audited account report.

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42. What are the requirements on the procurement of goods and services for the project?

Grantees shall follow the prescribed procedures stipulated in the Guide to Application for different aggregate values of procurements unless the grantee has a Board of Directors which comprises five or more members, in such case, the grantee may follow the policies and procedures on procurement established by its Board. When establishing such policies and procedures, the Board shall draw reference from the guidebook entitled *Best Practice Checklist – Strengthening Integrity and Accountability – Government Funding Schemes Grantee’s Guidebook* issued by the Independent Commission Against Corruption. The grantees must ensure that all procurements will be conducted on a fair, unbiased and competitive bidding basis.

Grantees shall manage their procurement such that it shall exercise its right to disqualify a supplier or contractor or terminate a procurement contract upon the occurrence of the events as specified in Chapter IX (Obligations) Paragraph 9.2.1 (d) of the Guide to Application.

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43. If the proposal has to be delayed due to venue constraints or other factors beyond the control of the grantee, will the funding be withdrawn?

Whether funding will be withdrawn will depend on how long the implementation of the approved proposal will be delayed and the feasibility of the proposal after the postponement. If the project is delayed, the grantee must obtain the Government's written approval for the extension in advance. In principle, the approved proposal should commence within September to December of the same year when the result is announced, and complete in two years at maximum for a Project Grant and a first Springboard Grant and three years at maximum for a second Springboard Grant.

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44. Under what circumstances will the funding be withdrawn?

The Government may terminate or suspend the grant and/or terminate the funding agreement by serving one month's notice in writing upon the grantee in the event of unsatisfactory performance. This action would be taken if the grantee encounters difficulties in implementing the approved proposal, leading to a failure to achieve the expected deliverables or targets.

The Government may immediately terminate or suspend the grant and/or terminate the funding agreement when: (i) the grantee has engaged or is engaging in acts or activities that are likely to be illegal or constitute or cause the occurrence of offences endangering national security or which would otherwise be contrary to the interest of national security; (ii) the continued engagement of the grantee or the continued performance of the funding agreement is contrary to the interest of national security; or (iii) the Government reasonably believes that any of the events mentioned above is about to occur.

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Arts Technology

45. What does it take for a proposal to be defined as “Arts Technology” in nature?

The ACDFS introduced a new “Arts Technology” category in 2020 with a view to supporting proposals which aim to promote the convergence of arts and technology in the creation of novel presentation, curation and audience experiences. Projects that foster the integration of arts and technology in respect of research and development will also be considered.

Arts Technology, whose definition is not restricted to any absolute standard, encompasses endless possibilities requiring artists to explore and realise. Therefore, the ACDFS does not impose any restriction on a proposal in terms of its arts discipline and the technologies applied.

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46. Should technology or arts be the main focus for proposals submitted under “Arts Technology” category?

The ACDFS aims to strengthen Hong Kong’s cultural software and enhance the capacity of the local arts sector. Therefore, proposals made under “Arts Technology” category must have arts as the main focus and be capable of contributing to all/one or more than one of the four objectives of the ACDFS (depending on whether the application seeks funds under Springboard Grant or Project Grant), viz. (i) capacity development of arts practitioners, arts groups, art forms and/or the arts sector; (ii) programme/content development; (iii) audience building; and (iv) arts education.

Proposals for “Arts Technology” category should highlight the convergence of arts and technology instead of merely showcasing high-end technology. If a proposed innovation and technology project is not aimed to promote and further arts development, it is not an arts-oriented proposal for which an application should be made under other relevant funding schemes (e.g. Innovation and Technology Fund) instead.

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47. “Arts Technology” projects may require certain advanced equipment. To what extent can the costs of such equipment be covered by the grant?

There is no pre-determined apportionment of funds on different expenditure categories. The grantees will be given the freedom and flexibility in the deployment of funds to fulfil their artistic pursuit and meet with the genuine operational needs. Costs of equipment and/or goods procured and used solely for implementing the proposal as approved by the ACAD may be covered by the grant. After completing the approved proposal, the grantee is required to dispose the equipment and/or goods exceeding \$5,000 Hong Kong Dollars at market price, please refer to [Q41](#) of this FAQ for details.

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