

Cultural Sector Emergency Relief Fund

Key Information for Applicants

The document is intended to support potential applicants to understand the eligibility and information requirements for applying to the fund. It provides important information, and we strongly recommend that all potential applicants read it before starting an application.

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Cultural Sector Emergency Relief Fund: Key Information for Applicants

[This information is provided as a PDF download from the Manatū Taonga website. It is also available on the [Manatū Taonga Online Portal](#)]

This document provides details on what information is required to apply to the Cultural Sector Emergency Relief Fund as well as explaining key terms and definitions as they relate to this Fund.

It also contains important information that will help you apply, so please do read through before starting your application form.

Where the term 'organisations' is used, this includes businesses and charities who have current legal status in New Zealand, and Sole Traders who have a New Zealand Business Number (NZBN).

Application process

Your application must be submitted via the [Manatū Taonga Online Portal](#).

Further information and resources to support you can be found [here](#).

You must answer all questions and provide all the required information to be assessed for funding.

Contact us

If you have any questions about the fund or the application process, please email us at support.culture@mch.govt.nz

If we agree to fund you

If your application is assessed as being eligible and Manatū Taonga agrees to fund you, you will be required to accept the funding offer and the Funding Agreement Terms and Conditions, via email.

An example of the Funding Agreement can be found online [here](#).

Your funding agreement will cover a six-week funding period which starts on the later of:

- The date on which the Ministry received your application, or
- The date that additional information is received by the Ministry, if additional application information is requested.

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Fund application overview

For definitions of the terms used throughout this document see the 'Key terms and definitions' section.

This Fund is not for general relief or to recoup losses, rather it is to support organisations, including Sole Traders, that are at clear risk of no longer operating viably. One of the key criteria is that organisations would not be able to operate viably within eight weeks of application if they did not receive this financial support.

Because it is a fund of last resort, it is not intended to be an 'income replacement', to fund any losses, or to meet all expenses. It can fund only critical and essential organisation costs that your income and cash reserves cannot cover.

Applications are intended to fund an organisation's shortfall between **income (revenue) and essential business costs (expenses) for a six-week period following submission of an application.**

Organisations may also be able to apply for additional support at the end of the six-week funding period. Subsequent applications will need to demonstrate that the previous funding was appropriately used and will need to again meet the eligibility criteria.

Organisations can receive up to \$100,000, Sole Traders up to \$30,000, in total across all applications (excluding GST).

For your application to be assessed as quickly as possible, we encourage you to use the templates provided on the [Manatū Taonga Online Portal](#).

Eligibility overview

To be eligible for the Cultural Sector Emergency Relief Fund an applicant must:

- ✓ **Be a cultural sector organisation.** Cultural sector organisations are those that contribute to creating, presenting, protecting and distributing arts, culture and heritage in any medium. News content and sports are not in scope for this funding.
- ✓ Be based in Aotearoa - New Zealand
- ✓ Be able to provide proof of current NZ legal status, i.e. your New Zealand Business Number (NZBN), Charities Commission (CC) number or legal identifier (this includes Sole Traders), if requested.

AND

To apply for the Cultural Sector Emergency Relief Fund, organisations must be in a situation where:

- all cash reserves have been exhausted or will be exhausted in the coming eight weeks and without financial support you will not be able to operate viably within eight weeks of application, and
- this inability to operate viably is due to the August 2021 COVID-19 increase in alert levels, and

- all other avenues for financial support have been explored, including but not limited to the Wage Subsidy, Resurgence Support Payment, local government support, and support from cultural sector agencies, by this we mean that:
 - other Government (both central and local) supports are unavailable or insufficient to enable the organisation to operate viably, and
 - the organisation is either ineligible for Delta relief delivered by cultural sector agencies or unable to use the support to meet the critical viability needs of the organisation, and
- at the time of application, the organisation is operating in a region at Alert Level 2 or higher, or can demonstrate reliance on performers, crew, or other critical personnel or resources located in a region at a higher alert level preventing travel between boundaries.

Subject to eligibility requirements and the availability of funds, the amount of funding received by an applicant will be the shortfall between an organisation's income (revenue) and essential business costs (expenses) over the six-week period following submission of an application.

Evidence and supporting documentation - overview

To help Manatū Taonga assess applications, organisations need to show their levels of income and costs prior to the August 2021 COVID-19 increase in alert levels and forecast their expected income and costs for the eight weeks from the date of application. The provided information must show:

- that your organisation was operating viably (breakeven or in profit) prior to the August increase in alert levels and
- that you will not be operating viably (breakeven or in profit) over the forecast eight weeks.

Organisations will be required to demonstrate that they are either ineligible for other Government support, such as the Resurgence Support Payment or Wage Subsidy, or that the amount of support the organisation is eligible for is insufficient to cover the necessary costs to maintain viability.

Organisations must also demonstrate that they are ineligible, or their application was declined, for COVID-19 related support delivered through the cultural sector agencies, or that funding received from agencies could not be used for required costs to maintain viability.

The six-week funding period starts on the date of application. **If further information is required for Manatū Taonga to accurately assess your application, the start date will be the date the additional information is received.**

Specific information requirements include (but are not limited to):

- **Cashflow Budget**– this forecasts your income and essential business expenses for the eight weeks from your date of application
- **Statement of Financial Position** – the statement which sets out your current assets and liabilities at the time of application. This should show any cash reserves that your organisation has i.e., cash in bank accounts
- **Profit and loss statement** – this shows the income and expenses that your organisation had over the six months before the August alert level changes. This helps us to understand your normal operating expenses and the viability of your organisation before the August alert level changes

- **Evidence of receipt of other financial support** – this should include your approval letters from Work and Income or IRD for the Wage Subsidy and Resurgence Support Payment.
- **Evidence of non-receipt of other financial support** – this should include decline letters from Work and Income or IRD, or other funding agencies, where you have not been successful in receiving financial support
- **Evidence of the need for payment of new debt** – this includes evidence of new loans/debt and the requirements of loan/debt repayments during the funding period
- **Evidence of other new expenses** – where you are including expenses in your Cashflow Budget that are higher (weekly average) than those included in the Profit and Loss, or are new (i.e., not included in the Profit and Loss statement), you will need to provide evidence or an explanation of why those costs are essential to your organisation during the funding period
- **Bank account validation** – evidence of your bank account enabling us to pay you if you are successful in your application

Points to note

It is possible that organisations could receive funding from the Cultural Sector Emergency Relief Fund and other Manatū Taonga funding, including any future cultural events support.

You can have live applications to other funds or Government supports when you make your application to Manatū Taonga, but it is a requirement that you inform us immediately should your financial position change during the application process or funding period.

If at any time during the funding period your financial situation changes you must let Manatū Taonga know and discuss the implications of that change, both positive and negative.

If you are successful

If you are successful in receiving funding through the Cultural Sector Emergency Relief Fund, you acknowledge that Manatū Taonga may publish details of the funding, which may include your organisation name, location, headcount, sector and funded amounts.

Manatū Taonga reserves the right to share limited information about your application with other funding agencies for the purposes of due diligence.

What the Fund can be used for

The fund will only provide support to your organisation to cover the shortfall between your income and essential business costs over the six-week funding period.

Essential business expenditure is the necessary and critical costs your organisation will incur as it continues to operate during the six-week funding period. This may include (but is not limited to):

- Staff salaries (where you are contractually obliged to pay additional costs above any Wage Subsidy if received)
- Fixed operational costs such as rent, insurance and utilities
- Ongoing costs for project activity where your organisation is obligated to make payments during the funding period and where the project is essential to the future viability of your organisation. Note that the fund will not pay for the full cost of delivery of projects or for previously incurred losses resulting from the cancellation or postponement of a project.
- Business loan/debt repayments i.e., regular instalments and not the full value of the debt. For debt repayments for loans taken on since August you must provide supporting evidence that instalment payments for the loan/debt must be made within the period you are applying for.

Note: for Sole Traders, the only debts which will be considered are those that are directly related to the cost of doing business. Personal debt cannot be supported through this fund. You may wish to consider investigating alternative income options through Work and Income.

Essential business costs

Staff salaries

Eligible staff salaries and wages are those for employees only.

You cannot apply for payment of contractors, even if they work regular hours for you. For information on the difference please visit the [Employment New Zealand website](#).

Contractors can independently apply for the Cultural Sector Emergency Relief Fund as sole traders, if they operate as such.

The Wage Subsidy

As a requirement of the fund all applicants must have explored and, where eligible, applied for, all other supports including but not limited to the Wage Subsidy administered by Work and Income.

Any Wage Subsidy that your organisation has received for its employees, where the timeframe of the subsidy overlaps with the funding period, must be included as income in the Cashflow Budget.

If you have received the Wage Subsidy at any time since August, unless you have recently been declined, you should assume you will continue to receive it for the next eight weeks and include these expected payments in your Cashflow Budget.

You must provide recent evidence of your application to the Wage Subsidy and the outcome, whether successful or declined.

Top ups

Generally, the Cultural Sector Emergency Fund cannot 'top up' salaries above the Wage Subsidy rate.

Such 'top-ups' will only be considered in situations where you are **contractually obligated** to pay the employee more than the Wage Subsidy and have been unable to negotiate reduced hours or a reduced hourly rate with those employees.

As Sole Traders do not have contractual employment obligations related to their own income, they are not eligible to apply for such 'top-ups'.

Note: Work and Income New Zealand requires employers receiving the Wage Subsidy to:

- use your best endeavours to pay at least 80 per cent of each named employee's ordinary wages or salary, and
- pay at least the full amount of the subsidy to each named employee.

Read the full Wage Subsidy requirements [here](#).

Reflecting salaries in the Cashflow Budget

When including salaries and the Wage Subsidy in the Cashflow Budget please note that:

- any Wage Subsidy received for a time period which overlaps with the funding period must be included as income
- if you have been receiving the Wage Subsidy you must assume that you will continue to receive it during the next eight weeks, and therefore include expected Wage Subsidy values as income
- you must include salaries to the value of the Wage Subsidy as expenses, to reflect that this will be paid to employees
- any salary 'top up' must also be included as an expense and can only be included as an expense when you have a contractual obligation to pay it
- you must explain why you are required to pay the 'top up'.

Project costs

Project costs may be considered for funding where they are contributing to the overall shortfall expected for your organisation and where:

- your organisation is obligated to make payments towards the ongoing costs for project activity during the funding period and
- the project is essential to the future viability of your organisation and
- the project was underway or costs were committed prior to 18 August 2021.

Note that the fund will not pay for the full cost of delivery of projects or for previously incurred losses resulting from the cancellation or postponement of a project.

This funding is not available for applicants to deliver or present new projects.

If project funding has been provided by another organisation and is ring-fenced for a specific project that cannot progress during the funding period, you must clearly explain that in your application and include this funding in your financial documents.

Business debt and loans

If your organisation was making regular debt repayments prior to the August alert level changes, and you have been unable to negotiate a deferral of future payments, these can be included as essential business expenses in your Cashflow budget.

If your organisation has taken on new loans or debt since the August alert level changes these can be included as business expense in your Cashflow budget however, you must provide evidence of the debt and the instalment payments that are required (value and timing).

The full repayment of business debts and loans is not an eligible expense, unless you can provide evidence that full payment is required during the funding period.

Costs the fund does not cover

Ineligible costs can include (but are not limited to):

- Costs of any project activity that was not happening or committed to before 18 August 2021 (including all projects not already underway as of 18 August 2021) (see [project costs](#))
- Salary 'top-ups' where the payment on top of the Wage Subsidy is not contractually required (see [Staff salaries](#))
- Shareholder drawings
- Staff meals / amenities
- Travel costs unless you can explain how that travel will occur even at Alert Level 2 or 3 and why it is an essential business cost
- Team catering, meals or other per diems
- Business growth plans
- Rebuilding cash reserves
- Maintenance and repairs (unless essential to ongoing viability)
- Capital expenditure or depreciation
- Loan repayments if these can be frozen or deferred (see [Business debt and loans](#))
- Any costs for activities beyond the six weeks covered by your application
- Personal or living costs.

Evidence and supporting documents – what you must provide

Manatū Taonga will evaluate all received applications. This evaluation will focus on confirming eligibility and the need for the requested funding value.

Key documentation required to support evaluation includes:

- ✓ The online application form

Financial statements:

- ✓ Cashflow Budget
- ✓ Statement of Financial Position
- ✓ Profit and loss statement

Documentation confirming eligibility factors:

- ✓ Evidence of receipt of other financial support
- ✓ Evidence of non-receipt of other financial support
- ✓ Evidence of the need for payment of new debt
- ✓ Evidence of other new expenses

Other documentation:

- ✓ Bank account validation

To support applicants to provide the financial statements that are required (see above), Manatū Taonga has provided financial templates/examples. These are available [here](#).

For more information and how to complete them, see business.govt.nz's guide on [how to read financial statements](#).

The online application

Your application must be submitted via the [Manatū Taonga Online Portal](#). You may need to register and create an account before you can start an application.

Information and resources to support you can be found [here](#).

Cashflow Budget

The Cashflow Budget is to forecast your income and essential business expenses for the eight weeks from your date of application. Based on the information contained in this document we will assess the value of any support you might be eligible for.

It must clearly show your organisation's expected expenses and income for the eight weeks from your date of application. It should show how the expected income and any current cash or investment reserves are not enough to pay for your essential business operating costs over the next eight weeks.

Income

Income should include all expected income including any Government or entity funding you expect to receive (e.g. Wage Subsidy, Resurgence Support Payment, Creative New Zealand grant) and the use of any remaining reserves to cover expenses.

If you have been eligible for additional support payments (e.g., Wage Subsidy, Resurgence Support Payment) up until now, you should assume that you will continue to be and include these payments in your Cashflow Budget unless you can provide evidence that you are no longer eligible.

Evidence of receipt of other financial support – this should include your approval letters from Work and Income or IRD for the Wage Subsidy and Resurgence Support Payment.

Evidence of non-receipt of other financial support – this should include decline letters from Work and Income or IRD, or other funding agencies, where you have not been successful in receiving financial support.

Any liquid assets such as cash on hand or accounts receivable must be included in your Cashflow Budget as income. As this is a fund of last resort it is expected that these liquid assets are used to assist with the payment of expenses. Any liquid assets that are part of project related funding and are not able to be utilised should be included in your financial documentation. An explanation should be provided on why these funds cannot be utilised.

Costs

Only essential business operating costs are eligible, and these must be clearly outlined.

Project costs can be included if they meet the required eligibility. For more information see [Project costs](#).

The Cashflow Budget can include debt repayments for any business debts where you have been unable to negotiate a freeze on payments. For more information see [Business debt and loans](#).

Evidence of new debt repayments

Where you have debts that you took on since the August alert level changes, you will need to provide evidence of these new loans/debt and the requirements of any repayments during the funding period, that you have included in your Cashflow Budget.

When calculating the costs in your Cashflow budget please consider the value of that cost within your Profit and loss Statement. As the Profit and loss statement is for a period of 6 months, it is expected that the total value of each cost would be lower in the Cashflow Budget than in the Profit and loss, due to the shorter timeframes.

Manatū Taonga will review your Cashflow costs against your Profit and Loss to make sure that there has not been a drastic increase in operational costs and that the forecast is fair and reasonable.

Evidence of other new expenses

Where you have included new costs, or costs that appear to have a higher monthly average than that shown in the Profit and loss, please be sure to provide an explanation (this can be done in the Cashflow Budget or in a separate document). If we are unable to understand the differences, we will be unable to accurately assess your application which may delay your outcome or result in a decline. For example, if your rent was \$2,000 per month in your Profit and loss and is now \$3,000 per month, you will need to explain why the rent has increased.

Calculating the total amount to be requested

To calculate how much funding you can request you will need to:

- ✓ Identify in your Cashflow Budget the shortfall (deficit) between your income and costs over the next eight weeks
- ✓ Divide that deficit by eight (to get your weekly average deficit)
- ✓ Multiply that weekly average deficit by six, to get the value of the deficit over six weeks, matching the six-week funding period.
- ✓ Take that negative number and make it a positive number – that is how much you should be requesting.

Statement of Financial Position

The Statement of **Financial Position** sets out your current assets and liabilities at the time of application. It is a point in time snapshot of the financial status of your organisation.

It must show any cash on hand and any other cash assets (accounts receivable, term deposits, investments) that can be readily converted to cash to pay for expenses. These are your reserves, and they must be shown in your Cashflow Budget as income, to assist with the payment of expenses.

Where any of your cash on hand or other cash assets are funding received from other organisation for specific projects you will need to clearly identify these and only include in your Cashflow Budget if there are associated costs included.

Note: As this is a fund of last resort, applicants are expected to use all cash and reserves on hand to meet the expenses of the business. Manatū Taonga can only fund the shortfall of critical business costs that your income/reserves cannot cover.

It should also include any debts that your organisation currently has. The regular payments for any debts where you have been unable to negotiate a deferment or freeze on payments, should be included in your Cashflow Budget as expenses.

Profit and Loss Statement

This should demonstrate your income and costs, at a reasonably detailed level, for the six months prior to 18 August 2021. This supports us to understand your normal operating expenses and the viability of your organisation before the August alert level changes.

Please consider the costs included in your Profit and Loss when calculating the value of costs in your Cashflow Budget – it is expected that the average weekly/monthly value of each cost would be similar across the two financial statements. If they aren't you will need to provide an explanation of why they are different.

Verified bank account details

Verification from your bank must include your organisation's account name and number, such as a screen shot of your online banking page. We use this to check we are paying the correct organisation. Your bank account name should match the name of the organisation that you have applied for.

Quick check before you submit your application

Have you included the following?

✓ A statement of your financial position as at the time of application
✓ A profit and loss statement for the six months prior to the August alert level changes
✓ A cashflow budget for the next eight weeks, showing how you would use any funding allocated
✓ Evidence of local and/or central government emergency support funding received or declined
✓ The results of funding applications to other emergency funds – for example if you do not meet the eligibility criteria for other emergency funds, that funding was declined, or that the available funding does not meet your organisation's critical needs
✓ Verification of your organisation's bank account
✓ Explanations of anything else that you think might help us process your application as quickly as possible

Key Terms and Definitions

Term	Definition
Based in Aotearoa	Your organisation is operating and based in New Zealand. As a sole trader you must be currently living in New Zealand.
COVID-19 related support funding administered by the government or other funding sources	<p>Other government supports and entity funding such as COVID-19 Wage Subsidy or the Resurgence Support Payments.</p> <p>This includes funding distributed by both local and central government agencies, as well as funding distributed to at-risk organisations by Cultural Sector agencies such as Creative New Zealand. Information on this other funding can be found at:</p> <p>Cultural Agencies Delta Support</p> <p>Resurgence Support Payment</p> <p>COVID-19 Wage Subsidy</p>
Cultural Sector Organisations	<p>Cultural sector organisations are those that contribute to creating, presenting, protecting and distributing arts, culture and heritage in any medium. News content and sports are not in scope for this funding.</p> <p>The contribution to the cultural sector must be the primary purpose of your organisation. Note: For Sole Traders who work in other sectors as well as the cultural sector, you will need to demonstrate that the main source of your income is the services you provide to the cultural sector, or your continued financial viability is dependent on the cultural sector. In your application clearly state how your work is embedded or dependent on the cultural sector even if you are involved in other sectors.</p> <p>For additional clarity as to the types or organisations and work that cultural sector organisations undertake:</p> <p>Cultural organisations include (but are not limited to):</p> <ul style="list-style-type: none"> • Performing arts company / venue • Technical service provider

Term	Definition
	<ul style="list-style-type: none"> • Museum, gallery, archive, whare taonga • Festival organisation • Iwi/hapū organisation • Advocacy/membership organisation • Arts, culture, or heritage consultancy business <p>Cultural organisations might be working in artforms and disciplines including (but not limited to):</p> <ul style="list-style-type: none"> • Māori arts and culture • Pacific arts and culture • Dance • Literature • Multi-discipline • Music • Screen • Theatre • Visual arts • Heritage
Current legal status	<p>Organisations with current legal status include those that have a current legal status identifier. This includes:</p> <ul style="list-style-type: none"> • a company or incorporated society that is listed on the NZ Companies Register or that has a registered NZBN • a sole trader that has a registered NZBN • a business that is listed on the NZ Companies Register or that has a registered NZBN • a charity that is registered on the Charities Register or the Charities Services Register • a Māori land trust that can provide evidence of their legal status

Term	Definition
Employees	<p>The term ‘employee’ means people who are on the organisations payroll who would cease to receive income if your organisation was to stop trading. Specifically, for the purposes of this fund, employees are those to who you pay a salary or a wage and have all minimum employment rights under employment laws, such as holiday and leave entitlements and a written employment agreement.</p> <p>For support to identify the difference between contractors and employees please see employment.govt.nz</p>
Financial viability (ongoing)	<p>Under normal circumstance, your organisation has sufficient income and revenue to pay the costs of running the organisation and potentially make a profit.</p>
Funding will address the organisations operating deficit NOT the full expenses	<p>The Cashflow Budget must clearly show the deficit or shortfall between income and operating expenses over the next eight weeks and how your current income, cash on hand or other reserves are insufficient to cover your essential operating expenses.</p> <p>The amount requested from the Cultural Sector Emergency Relief Fund can be up to a maximum of the difference between costs and revenue for the funded six-week period - NOT the full expenses.</p>
Not able to operate viably in the next 8 weeks	<p>As a result of the 18 August 2021 COVID-19 increase in alert levels, you will not have sufficient income, reserves or other financial incomings, to meet your operating costs and debt payments over the 8-week period, from the date of your application.</p> <p>This shortfall could result in the closure of your organisation, staff redundancies or a need to leave the sector to find employment.</p> <p>As a sole trader, no longer operating viably would mean that as a result of a loss of income from your work in the cultural sector, you are unable to meet your business expenses associated with operating in the cultural sector.</p>
Organisations (Eligible)	<p>For the purposes of this fund, eligible organisations include cultural sector businesses, charities and non-profit organisations that have current legal status in New Zealand, and Sole Traders with a New Zealand Business Number (NZBN).</p>

Term	Definition
Reserves	<p>Reserves refer to the money a company or individual keeps on hand to meet emergency or unexpected expenses or are savings for future investment opportunities.</p> <p>Reserves include any cash on hand or other assets (including investments, term deposits or accounts receivable) that can be readily converted to cash. These are liquid or current assets.</p> <p>Any reserves you might have must be included in your Cashflow Budget as income, to assist with the payment of expenses.</p>
Sole Trader (eligible)	<p>To be classified as an eligible sole trader you must be self-employed or contracting primarily within the cultural sector and be able to provide evidence of your New Zealand Business Number (NZBN).</p> <p>For Sole Traders who work in other sectors as well as the cultural sector, you will need to demonstrate that the main source of your income is the services you provide to the cultural sector, or your continued financial viability is dependent on the cultural sector. In your application clearly state how your work is embedded or dependent on the cultural sector even if you are involved in other sectors.</p> <p>Funding is only available for costs related to your work in the cultural sector. Loss of income or debts incurred from secondary employment outside the sector are not eligible.</p>
Value of funding requested	<p>This is the amount of money you are applying for from the Cultural Sector Emergency Fund.</p> <p>The maximum funding available for each applicant, over all applications, is up to \$100,000 if you are an organisation or up to \$30,000 if you are a sole trader. GST will be paid in addition to the requested/maximum value for those applicants who are GST registered.</p> <p>The total amount of funding you request from Manatū Taonga must be the shortfall between your income and essential business for the next six weeks i.e., your expected deficit. This shortfall must be a result of reduced operating and loss of income due to the COVID-19 alert level increases in August 2021.</p>