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## Fundraising Fact Sheets

### Series 1: Introduction to Arts Sponsorship

#### 1.2 Making a formal partnership agreement

Having secured sponsorship from a company, it is necessary to confirm the partnership details in writing to protect both parties in the event of unforeseen circumstances and to be crystal clear about what each expects from the other.

An agreement can be a letter or a formal contract. The example provided in this fact sheet provides some general guidance, however it is a good idea to seek professional advice, especially where large sums of money are involved.

An agreement does not need to be a complex legal document but it does need to set out expectations, roles and responsibilities for all concerned.

##### **What is a partnership agreement?**

It needs to include the following key points:

- A concise description of the project, including aims and objectives of both partners
- A project specification including key personnel, resources and dates
- A timeline for all elements of the partnership such as print work (including drafting, proofing, approving and printing), hospitality arrangements, guest lists, ticket distribution etc.
- A budget and payment schedule, including method of payment and date(s) when payments fall due
- A clear description of the benefits which the arts organisation is providing
- Any restrictions on the partnership
- Information on record keeping requirements
- Arrangements for cancellation or postponement
- A mechanism for dealing with any dispute which may arise

A strong agreement is the starting point for a good working partnership and should help lay the foundations for a long term relationship.

##### **Partnership in practice**

Good project management means ensuring everyone involved in a partnership knows what is required of them at given times.

Good communications is an essential ingredient of success. It is best to establish a single point of contact on both sides for the management of any partnership, but you almost certainly need to complement this by keeping a larger group of people engaged. Regular progress meetings are one way to keep people involved and

informed. Keep a good, clear paper trail on elements of the partnership but don't be afraid to use some of the more modern communication techniques as well (Facebook, Twitter etc) if that seems appropriate.

Arts organisations can and should retain control over all artistic decisions but other elements of partnership can be shared. It is important for both partners to agree who is best placed to take on particular tasks. In all cases, it is essential to ensure that roles and responsibilities are crystal clear and that partners have an opportunity to shape decisions which directly affect them.

## **Measuring success**

A robust evaluation process will be necessary to enable an arts organisation to measure success against the expectations of the sponsoring company. These could include quantitative measures (e.g. 'x' number of people will have seen the sponsor's logo, making 'y' exposures over 'z' months; or footfall past posters and outdoor advertising hoardings; or a survey of audience awareness of sponsor). More information on how to measure success can be found in our Fact Sheet titled 'Return on Investment' and in the 'Evaluation Fact Sheet' (both of these are available from the Fundraising Toolkit).

Remember that good measurement is likely to involve some work before the arts project begins in order to find a benchmark. If one of the business objectives is image enhancement, for example, you may want to canvas your audience on their understanding of the business before the arts project begins in order to measure successfully how much impact the sponsorship has had on this.

## **Framework for a partnership agreement**

This sample outline is designed to be a general guide. Readers are advised to use their own skills, knowledge and experience to produce their own document.

### **Project title**

**Project specification** - concise project description (100 words)

### **Key personnel**

- Arts Organisation – primary point of contact
- Partner Organisation – primary point of contact
- Steering or Advisory Group- membership of any project specific group

### **Approved budget**

- Contribution from Partner
- Other financial information as needed

### **Activity schedule**

- Start date
- Interim dates
- Finishing date

**Location/venue** - details of main location for activity, e.g. theatre seating 830people in any town

**Publicity requirements** - details of acknowledgements, advertising and credits

**Record keeping** - information to be kept by partners for audit and other purposes

### **Payment schedule**

- Signature of Agreement
- Interim Payment(s) and Milestones
- Completion Payment

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## Sample Sponsorship Agreement

AN AGREEMENT made on the DATE.

BETWEEN BUSINESS (hereinafter called “the Sponsor”)

AND ARTS ORGANISATION (hereinafter called “the Theatre”)

WHEREBY IT IS AGREED:

- 1 In consideration of the agreement by the Sponsor to pay to the Theatre the sum of £X,XXX (AMOUNT IN WORDS) to sponsor a production of “PRODUCTION” for which the Theatre agrees to provide the credits and benefits set out in paragraph 2 below.
- 2 From DATE to DATE the Theatre agrees:
  - 2.1 to credit the Sponsor by giving the Sponsor’s name and details of the value of the sponsorship in all Theatre press releases concerning the production of “PRODUCTION”.
  - 2.2 to give the Sponsor prominent acknowledgement on the front cover and on the cast page of the programme relating to “PRODUCTION”.
  - 2.3 to give the Sponsor a full page in the “PRODUCTION” programme opposite the cast page. All copy and camera-ready artwork to be provided by the Sponsor by DATE.
  - 2.4 to give the Sponsor prominent acknowledgement on that part of the season leaflet and subscription leaflet relating to “PRODUCTION”.
  - 2.5 to give the Sponsor prominent acknowledgement on the poster for “PRODUCTION”.
  - 2.6 to give the Sponsor prominent acknowledgement in display advertising relating to “PRODUCTION”.
  - 2.7 that the exact colour and style of the typeface for the credits to be given under clauses 2.1 to 2.6 above shall be determined by the Sponsor and the Publicity Officer of the Theatre and shall form a separate agreement. If no agreement is reached by a date being two months prior to the first night of the production, the Theatre’s views shall be considered binding.
  - 2.8 to offer to the Sponsor a maximum of twenty complimentary tickets for the first night of “PRODUCTION”, the Sponsor to notify the Theatre of the number of tickets required not less than four days before the said first night. A maximum of four tickets will be made available to the Sponsor for each night of the run of the production at the standard discount of 20%, such tickets to be reserved by the Sponsor not later than 6.00pm the day previous to the performance required. All tickets not so reserved may be sold by the Theatre
  - 2.9 to provide the HOSPITALITY SPACE free of charge to the Sponsor between 5.00pm and 11.30pm on the first night of the production for the entertaining of clients and guests. All costs relating to entertainment to be borne by the Sponsor.
  - 2.10 to provide a space in the foyer 5 metres by 2 metres for an exhibition relating to the Sponsor’s products for the run of the production. The Theatre must be consulted as to the content and style of the exhibition.
  - 2.11 to co-ordinate a press launch announcing the sponsorship by the Sponsor at a time and place to be agreed by both parties. The cost of such a press launch to be borne by the Sponsor.

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## Payment

- 3 Payment of the said sum of £XXXX (AMOUNT IN WORDS) shall be made in full not later than DATE
- 4 The payment shall be subject to Value Added Tax at the then current rate which shall be payable on receipt of the Theatre's invoice for the same.

## Other Agreements

- 5 It is agreed that all matters relating to the content and administration of the production "PRODUCTION" shall remain the exclusive responsibility of the Theatre.
- 6 It is agreed that in the event of the production being exploited in any other theatre or through another medium such as radio or television, the Theatre's best endeavours will be directed towards ensuring that the Sponsor is credited as the sponsor of the production. However, it is accepted by the Sponsor that a separate agreement may have to be negotiated with all parties concerned.
- 7 It is agreed that in the event of the production being revived by the Theatre the Sponsor will be granted first option to renew sponsorship of the production at a cost to be agreed. The Sponsor will give its decision on such renewal not less than six months before the start of the revival.
- 8 In the event of the cancellation of the production for whatever reason, this agreement shall be null and void. The Theatre shall forthwith return to the Sponsor the balance of the sum referred to in clause 3 and paid to the Theatre together with full accounting for the monies expended from the said sum. Thereafter the Sponsor may at its election sponsor any one event or production at the Theatre within the next eight months following the cancellation of the balance referred to hereunder.
- 9 In consideration of the Sponsor providing the Theatre bar with PRODUCT IN-KIND, the Theatre agrees to display the PRODUCT in the Theatre for the duration of the production "PRODUCTION".
- 10 This agreement is made solely with BUSINESS and except with the written permission of the Theatre shall not be assignable.

IN WITNESS WHEREOF the parties have hereunto signed the day and year above written

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Duly authorised for and behalf of BUSINESS

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Date/Witnessed:

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Duly authorised for and behalf of ARTS ORGANISATION

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Date/Witnessed:

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## ENDS

Further information and other factsheets in this series can be found in the Fundraising Toolkit. This on-line service is being developed in partnership with Creative Choices', the careers and professional development website for the creative and cultural industries.