

What is Business Sponsorship?

Before attempting to secure sponsorship it is vital to have a clear understanding of what sponsorship is and how it differs from other sources of income available to your organisation.

If you do not have a clear understanding of what you are seeking it is practically impossible to approach a potential sponsor in the right way. Indeed, the business itself may misunderstand the concept, perhaps confusing 'sponsorship' with 'donation'. In such cases it will be down to you to ensure they have the correct understanding.

Arts & Business Scotland defines sponsorship as:

“The payment of money by a business to an organisation with the explicit objective of promoting the business’ name, its products, services or image. Sponsorship is part of a business’ general promotional spending and may encompass staff development as well as a sense of corporate or social responsibility.”

With sponsorship there must be a commercial return for the business and your sponsor will expect value for money. It follows that when you approach a business for sponsorship, you are selling something which is of commercial benefit to the business.

Business sponsorship is clearly distinct from the other sources of income available to a Heritage organisation:

Earned Income

Earned income is money a Heritage organisation earns through sale of goods or products, for example, ticket sales/admissions, merchandising, café facilities, training etc. It includes retailing, proceeds from room hire and corporate memberships. Clearly, sponsorship is also an “earned income” but it is useful to distinguish it, since the skills involved in securing it are different.

Subsidy

A subsidy is money from bodies with a duty to support the arts financially. For example, the Scottish Government directly funds / subsidises the national heritage organisations in Scotland.

Grants

Grants are slightly different to subsidy. Grants can be understood better as a discretionary decision to fund as part of a wider set of objectives. Although the money still comes from public coffers, it will be tied to very specific outcomes. Heritage Lottery Fund, Museums Galleries Scotland and Arts & Business Scotland all manage grant programmes to which heritage and cultural organisations can apply for project funding. Many international bodies such as the Council of Europe, the European Commission, UNESCO or the World Bank will also provide financing for specific projects. This is grant funding, not subsidy, since the funds will usually be tied to very specific outcomes.

The difference is important in that subsidy is often the result of historical relationships, but grants have to be developed in an on-going relationship. Grants usually require an active relationship to be established with the grant body and proof of professionalism or results.

Donation

A donation is money from individuals, businesses, trusts and foundations for which no return is sought other than a 'thank you' and perhaps a line credit in a programme. A donation is a gift for which no return is asked or given. Clearly, the way of selling a sponsorship package to a business will be entirely different from asking for a donation.

Content provided by Arts & Business Scotland for more information please see <http://www.aandbscotland.org.uk/learning-andamp-development/>
Further information will be added to the RSH website soon.

Resourcing Scotland's Heritage is funded by the Heritage Lottery Fund and is a partnership project led by Arts & Business Scotland with Archaeology Scotland, Built Environment Forum Scotland, greenspace scotland and Museums Galleries Scotland.