



# Financial strategy

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The museums, monuments and parks (MMPs) of Ghana serve as a means of collecting and conserving Ghana's cultural heritage for the benefit of current and future generations.

One of the functions of the governing body, the Ghana Museums and Monuments Board (GMMB), is to collate and direct funding to these spaces and to encourage capacity building for the sector as a whole. The GMMB must enable the delivery of services to the whole of society, and ensure that the entities generate significant economic returns to their community. Museums, monuments and parks compete with other institutions operating in the cultural and entertainment sector for visitors' free time, money and engagement. Whilst the main purpose of these spaces is not to make money, defining appropriate strategies to increase

competitiveness will help them attract the resources they need to fulfill their mission and goals successfully.

Funds are needed to finance infrastructure changes, acquire assets and to manage the operations of these spaces. The GMMB needs strong diversified income streams to ensure a robust financial future for all entities under its scope. How funds are raised, managed and distributed across functions will enable the entities under the GMMB to remain functional and ensure that the organisation is sustainable. The funds generated by all spaces need to be effectively managed by the GMMB to enable the institutions and their spaces to become financially resilient.

This section discusses the funding and management strategies that would most effectively enable the GMMB to serve society, and deliver quality services that strengthen our communities and showcase the heritage of our nation.

## How Funds Will be Raised

The GMMB should bring together existing revenue streams from a range of sources as well as create new revenue streams in order to sustain and grow the museums, monuments and parks under its scope. Having different revenue sources will be vital for ensuring the long-term stability and sustainability of these spaces. Funds will be raised via earned income, private donations, government contributions and investment income.

### 1 EARNED INCOME

Earned income refers to income derived directly from the business activities of these spaces. Earned income could include entrance fees, ticket sales for special events, rental fees, museum shop and restaurant sales and membership fees.

#### Income from admissions

This refers to fees paid by customers who visit locations managed by the GMMB. The board could adopt a

policy of actively marketing venues for maximum patronage. This could involve creating brochures, leaflets and other literature for each venue for public consumption. Each space should also be given sales targets with incentives for attaining certain visitor numbers. This implies that each venue will have to be innovative and market-oriented so that they can earn extra rewards from top management. Additionally, salespeople or ticket sellers at the venues should be motivated so that they can achieve the threshold set for sales of tickets. Special sales programmes could be organised for tour guides and ticket sellers to enable them to add extra experiences for the visitors and contribute significantly to creating a memorable event.

### Special events

The GMMB must initiate steps to build a strong event management team. This team would be responsible for all stages of event organising from ideation to implementation. Income from event organising is diverse and would include the following:

- \* Sponsorships
- \* Entry fees
- \* Sales of merchandise during events

The Board should also begin experimenting with online and digital events, or broadcasts, for revenue generation purposes. A large customer base can enjoy these digital services and offerings at limited cost relative to the value created. The online portal could also have adverts played on them for a fee, which accrues to the Board.

### Rental fees

The Board could rent out its facilities—physical spaces, items, artefacts—for third-party use. For this purpose, a policy would be

needed about renting out those facilities. Rental income would be pegged at existing market rates. Furthermore, the institution should undertake to advertise extensively for such a service to the general public. Advertisements must incorporate the unique selling proposition of each space.

### Museum shop

Merchandise inspired by collections is a way to generate extra revenue, and it adds to the museum experience. Specially commissioned works of art and artefacts could also be sold on the premises controlled by the institution. Regular auctions of commissions of art could also be organised to generate funds for the organisation.

The museum could adopt a special resale strategy whereby it collects rare works of art and craft from artisans to sell to the general public at specifically organised exhibitions.

### Educational programmes

Educational programmes, such as one-off mass public educational programmes or regular programmes organised as established training institutions, could be a source of revenue for the GMMB. Educational programmes could include the following:

- \* Cultural immersion programmes
- \* Folklore awareness
- \* Craftsmanship

### Membership

Membership is important for generating revenue and engaging audiences. A tiered subscription-based membership programme should be designed by the GMMB for all spaces. To incentivise adoption, members should enjoy exclusive benefits such as unlimited access to all spaces with priority tickets and entry for special events, exclusive member-only

hours, members-only events and exhibition previews, discounts on workshops and programmes, and discounts at museum shops and restaurants.

## 2

### PRIVATE DONATIONS

Fundraising and donated income will be a significant source of income for the GMMB. Private contributions include gifts from individuals, grants from charities and philanthropic foundations, corporate sponsors and any other non-government donations to the museums.

A database of organisations and philanthropists with interests in museums and monuments, as well as regular visitors to the GMMB spaces, should be created. This will be used as a basis of targeted campaigns to raise funds for the GMMB.

The Board should organise major fundraising drives throughout the year. These would be extensively publicised to attract maximum participation. With such an enhanced fundraising drive comes enhanced disclosure and effective regular communications with donors. Communication strategies to both solicit for donations and to keep donors well-informed—especially on how resources are being channelled into the activities of the board—must be developed simultaneously.

The Board must also consider potential benefits to sponsors and donors including the following:

- \* Awards and recognition
- \* Free entry to selected events and/or venues managed by the Board
- \* Featuring in publications produced by the Board
- \* Donors-only events
- \* Presentation of gifts and souvenirs.

**3****STATE CONTRIBUTIONS**

Museums, monuments and parks are acknowledged as essential to the cultural sector's impact on a country's identity and economy. They are part of the public sector, providing important benefits to the public, and should receive robust government support. Government contributions will be crucial to this sector and will be used to invest in the infrastructure of the spaces, enabling them to fulfill the purposes of holding valuable items of cultural property and contributing to the economy through tourism.

As such, the GMMB should solicit for direct contributions from the Ministry of Tourism, Ministry of Education and other relevant ministries. A case should also be made for the National Museum to have direct budgetary allocation from the Ministry of Finance.

The GMMB spaces are currently required to remit a percentage of entrance fees back to the government. The GMMB should request the government to lift the cap and allow 100% retention of its earned income from services rendered. The percentage of income currently remitted to the government should be kept by the GMMB and reinvested back into its spaces.

Another source of public support for the GMMB can come in the form of forgone taxes, allowing museums to use revenues from memberships and general donations more fully. In this regard, authorities will not tax revenues generated from activities that are directly related to the missions of museums, monuments and parks.

Finally, the GMMB should

work with the government to define targeted tax initiatives for individuals and organisations. If private donors receive tax deductions for donations made, this may encourage them to contribute to the GMMB.

**4****INVESTMENT OUTCOME**

Operating expenses depend on the size and kind of collection, the size and state of infrastructure, the number of staff and the number of anticipated visitors. To ensure the financial stability of all its museums, monuments and parks, the GMMB needs to always have enough funds to operate—irrespective of the performance of each space, and irrespective of conditions that will impact contributions whether privately or from the state. Spaces sometimes struggle to exist because the costs of operating and serving visitors may be higher per person than the revenues generated by that space. Additionally, smaller spaces, or those located in far-fetched areas, may have limited visitorship and fundraising ability. The GMMB therefore needs the ability to generate sufficient funds to cover the day-to-day running or operational costs of all spaces under its scope.

An endowment fund should be established specifically to fund the operations of all spaces. This will be created with funds from a handful of private donors who will form part of an advisory board. The advisory board can present ideas on how the endowment is invested and on funding allocation decisions; it can also make suggestions on how to make museums, monuments and parks better.

The endowment fund will enable

the GMMB to enjoy a dedicated revenue stream that allows it to make plans in the knowledge that the basic operating needs of all spaces will be addressed. Subject to approval from the advisory board, a large proportion of the fund should primarily be invested in government securities, which are redeemable and hence pay coupons on a quarterly basis. There would be a policy for capital preservation so that invested funds are not depleted. To ensure the growth of the fund, 25% of all cash funds raised and earned by museums, monuments and parks will be added to the Endowment Fund. This would be a sinking fund, which could be used as security to obtain counterpart funding for income-generating projects, i.e. projects that pay for themselves.

**How Funds Will be Managed**

The Board of Directors of the GMMB will be ultimately responsible for the financial wellbeing of all spaces under the scope of the GMMB. All funds should be centralised and managed by the GMMB, which should create a centralised, dedicated finance function to oversee budget preparation and approval, revenue and expenditure monitoring and fundraising and sponsorship. A centralised finance function will enable the GMMB to benefit from some economies of scale in operating the venues controlled by the Board.

Centralisation of financing does not, however, have to hamper local flexibility and responsiveness to urgent needs. Individual spaces should be allowed to raise funds on their own for specific projects, with support from the dedicated central finance function of the

GMMB. A percentage of the project-specific funds generated locally by individual spaces should be remitted to headquarters, since all local venues make use of resources from headquarters. With respect to earned income, a threshold could be established for local managers to retain a certain percentage of funds earned.

Substantial attention must be paid to how mobilised funds are spent. For this purpose, approval limits and board approvals must be strictly enforced. Also, there must be a justification on why expenses above a particular threshold are made. In all cases, reference shall be made to how any particular expenditure

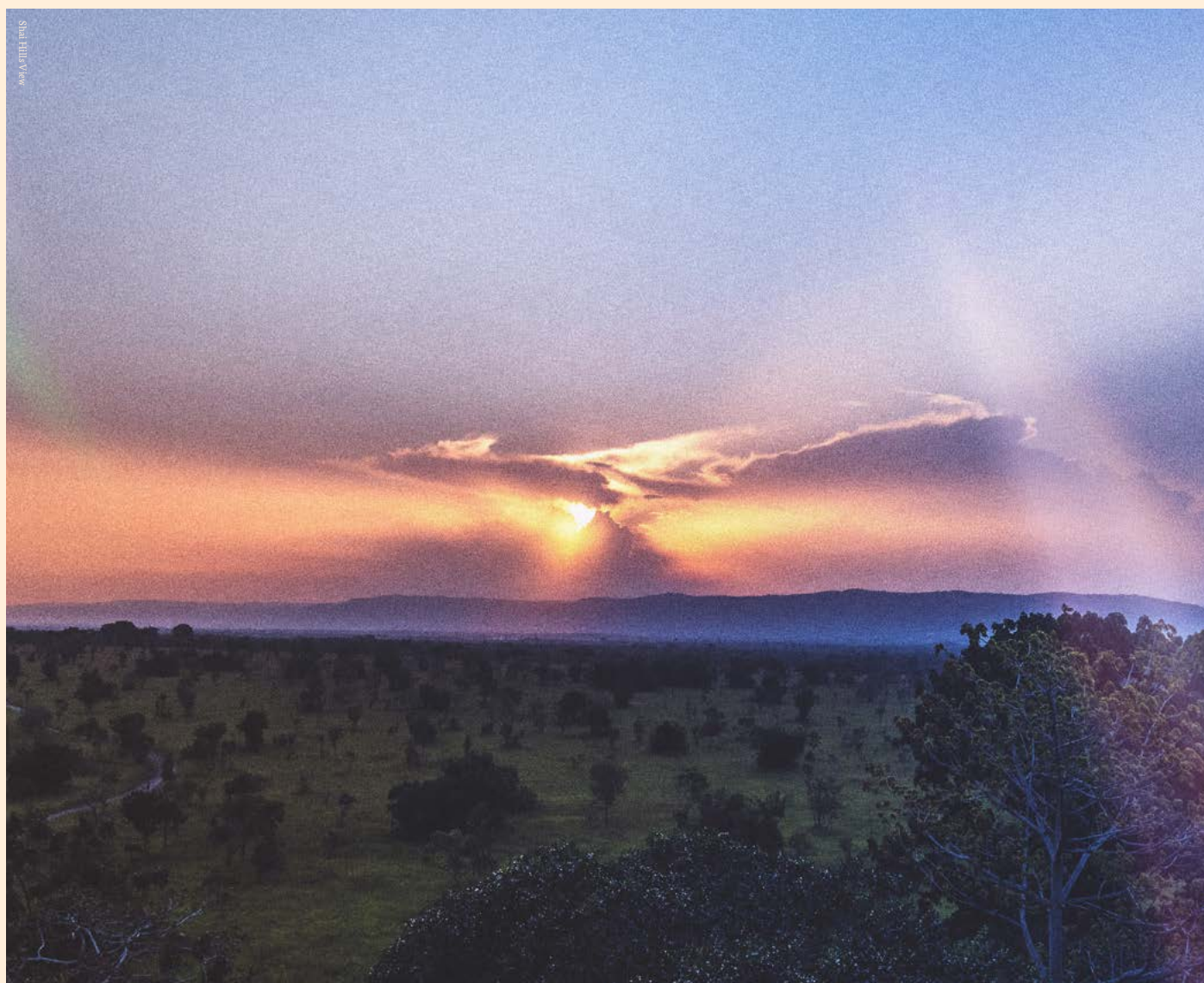
helps in attaining the objectives of the GMMB as enshrined in the law establishing the Board. Generally, as it pertains to all prudent financial management, the following needs to be emphasised:

- \* Budgeting at the local level
- \* Budget monitoring and control at Board level
- \* Timely resolution of issues relating to budget variances
- \* Establishing of key financial indicators
- \* Rewards for attaining financial objectives.

The GMMB should draft a financing policy and procedures manual to govern its financing activities.

## Conclusion

Funds are needed to transform the existing structure of museums, monuments and parks into the future state envisioned, and also to be able to manage all spaces once operational. The various revenue streams outlined will enable these spaces to remain in operation. Due to the limited ability of each space to generate significant admissions revenue and raise funds, effective centralised management of all funds by the GMMB becomes instrumental to ensure the survival of all spaces.



Shilp Hills View