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State Funding of Sports Organizations (ECPRD Request No. 4725)¹

Finansowanie organizacji sportowych przez państwo
(wniosek ECPRD 4725)

The paper presents the Polish legislation concerning sports organisations. The author begins with an overview of the legal framework, including the main legal acts and their stipulations, sports governance (particularly sports clubs and sports associations) and key stakeholders engaged in sports. Next, he discusses selected issues concerning distribution of the state funds in sports.

Keywords: ECPRD, sport

W artykule przedstawiono obowiązujące w Polsce uregulowania prawne dotyczące sportu. Autor omawia najważniejsze akty prawne regulujące organizowanie sportu, ze szczególnym uwzględnieniem klubów sportowych, związków sportowych i wspierania sportu przez władze publiczne. Następnie omawia wybrane zagadnienia dotyczące trybu i warunków finansowania sportu, ze szczególnym uwzględnieniem finansowania ze środków budżetu państwa.

Słowa kluczowe: ECPRD, sport

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In response to ECPRD Request No. 4725 concerning state funding of sport organizations (sports governance system, distribution of the state funds in sports, etc.), the Bureau of Research provides the following reply.

The responsibilities of the stakeholders engaged in sports are described in the Act of 25 June 2010 on Sport, in the regulations of the ministry competent for physical culture and statutes of national sport organizations, clubs, etc. The ministry responsible for sports is the Ministry of Culture, National Heritage and Sport (in October 2020 the Ministry of Sport was dissolved; the scope of issues related to physical culture was incorporated into the Ministry of Culture and National Her-

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itage). Generally speaking, the competencies of the ministry competent for physical culture include: implementing overall sport policy; organizing the system with sport federations; funding and promoting sport; supervising Polish sport associations and sport federations; development of strategies and actions aimed at promoting physical activity; coordinating and financing national teams to participate in international competitions; ensuring the proper functioning of the physical education system in schools and other educational institutions; creating the legal and organizational conditions for professional sport; promoting sport among the disabled; promoting sport in higher education and cooperating with higher education institutions; coordinating actions related to the implementation of international sport programmes, particularly European Union programmes.

When it comes to the local government, as stipulated by Article 27 of the Act of 25 June 2010 on Sport, „creating conditions, organizational or otherwise, that facilitate the development of sport, shall constitute territorial self-governments' own tasks. The legislative body of a territorial self-government may determine, by way of a resolution, the conditions and procedures for funding its own task referred to in paragraph 1, indicating in the resolution the public purpose in the field of sport, which the self-government intends to achieve”. As stipulated by Article 28 of the Act of 25 June 2010 on Sport, „a not-for-profit sports club which operates within the territory of a particular territorial self-government unit may receive a designated subsidy from the budget of that self-government, pursuant to the resolution referred to in Article 27(2), in accordance with the provisions of the Act of 27 August 2009 on Public Finance. The subsidy referred to in paragraph 1 shall serve the public purpose referred to in Article 27(2), and may be spent in particular on the following: 1) implementation of sports training programmes; 2) purchase of sports equipment, 3) covering the costs of organizing or participating in sports competitions, 4) covering the costs of using sports facilities for sports training, 5) funding sports grants and remuneration for coaching staff; if that contributes to improving the conditions for practicing sport by members of the subsidized sports club, or makes the sports activities offered by the club more available to the local community”.

The Polish Olympic Committee (Polski Komitet Olimpijski) is an autonomous, nationwide association of sports federations and organizations. Its head office is located in Warsaw. The Polish Olympic Committee independently sets its goals, draws up its action programs, defines its organizational structures, and adopts the rules and forms of carrying out its activities in accordance with its statutes, the Olympic Charter, and International Olympic Committee guidelines. It organizes the participation of the Polish Olympic Team in the Olympic Games. The Polish Olympic Committee spreads and promotes Olympic ideals, principles, and values. It acts in favour of the development of qualified sports, promotes sport for everyone, fights against doping, and educates. It has the exclusive right to use, and authorize the use of, the Olympic symbols specified in the Olympic

Charter, and the names „Olympic Games” and „Olympic Committee” in Poland. The Polish Olympic Committee represents Polish sport in the following international organizations: the International Olympic Committee, the European Olympic Committees, the Association of National Olympic Committees.

The Polish Paralympic Committee (Polski Komitet Paraolimpijski) is an independent organization established in 1998. It organizes the national Paralympic movement of persons with disabilities, represents Poland in the International Paralympic Committee and coordinates and arranges participation of the national team in the Paralympic Games. Polish Paralympic Committee has the exclusive right to use Paralympic symbols.

Polish Anti-Doping Agency (Polska Agencja Antydopingowa) is a body responsible for combating doping in sports. It has a right to draw up and implement national anti-doping policy and implement the doping control according to World Anti-Doping Code and international WADA standards.

When it comes to national sports bodies, as stipulated by Article 7 of the Act of 25 June 2010 on Sport, „a Polish sports association may be established to organize the system of competition in particular sports. The establishment of a Polish sports association shall require the approval by the minister competent for physical culture. Any matters concerning the Polish sports association which are not governed by this Act shall be governed by the relevant provisions of the Act of 7 April 1989 – Associations Law”. Detailed explanation of the functioning of Polish sports associations is provided by the Act of 25 June 2010 on Sport, which determines detailed principles and procedures in Chapter 3 titled „Polish sports associations” (Articles 7–15) and in Chapter 4 titled „Supervision over a Polish sports association” (Articles 16–23).

As for the sports clubs, as stipulated by the Article 3 of the Act of 25 June 2010 on Sport, „sports activities shall be conducted, in particular, in sports clubs. A sports club shall operate as a legal entity”. As stipulated by the Article 4 of the Act of 25 June 2010 on Sport, „sports clubs other than student sports clubs, which operate as associations and whose statutes preclude business activity, shall operate according to the principles provided for in the Act of 7 April 1989 – Associations Law and shall be entered into a register kept by the powiat governor competent for the area where the club has its seat. The club shall be entered into and deleted from the register on the basis of an application. Entry into the register, refusal to enter the club into the register and deletion from the register shall take the form of a decision. The application for entry into the register shall be accompanied by: the statute; list of founding members, including their names, dates and places of birth, addresses and signatures; address of the seat of the sports club”. As stipulated by the Article 6 of the Act of 25 June 2010 on Sport, „a sports association may be established by a minimum of three sports clubs. A sports association shall operate as an association or a union of associations”. As stipulated by the Article 8 of the Act of 25 June 2010 on Sport, „a sports club

which is a member of a Polish sports association shall participate in competitions organized by that association”.

Please be informed that the legal and operational arrangements of cooperation between the ministry responsible for physical culture and national sports organizations are the main subject of the Chapter 3 („Polish sports associations”, Articles 7–15) and Chapter 4 („Supervision over a Polish sports association”, Articles 16–23) of the Act of 25 June 2010 on Sport. These arrangements are set out in considerable detail, therefore we suggest to refer to the Act of 25 June 2010 on Sport, particularly following articles: 7(2), 9(8), 11, 12, 15(6), 16, 21, 22, 23.

National sports organizations are funded from several sources, although in the majority of cases the government budget is the primary source. As mentioned, the Act of 25 June 2010 on Sport stipulates that „any matters concerning a Polish sports association which are not governed by this Act shall be governed by the relevant provisions of the Act of 7 April 1989 – Associations Law”. According to the latter Act, „an association’s statute provides for the ways of obtaining financial means and deciding upon members’ dues”. Therefore, a Polish sports association in its statute determines the ways of obtaining financial means. It usually includes the revenue generated by the competitions organized by the association, the revenue generated by the advertising and marketing agreements, members’ dues, donations, income from commercial activity, etc. However, as mentioned above, in most cases funds from the government budget constitute the majority of financial means obtained by Polish sports associations. Some provisions regarding financial issues are directly stipulated by the Act of 25 June 2010 on Sport, which, *inter alia*, states that „the minister competent for physical culture may provide financial support for practicing, organizing and promoting sport”.

The government budget specifies the funds allocated for the development of sports. These funds are distributed primarily through the ministry competent for physical culture. The Budget Act of 2021 provides for two ways of funding: financial means provided by the budgetary part no. 25 titled „Physical culture” and financial means provided by special purpose funds (państwowy fundusz celowy), primarily the Fund for Development of Physical Culture (Fundusz Rozwoju Kultury Fizycznej). As for 2021, the budgetary part no. 25 assumes expenditures amounting to 319 396 000 PLN (including, for instance, 8 000 000 PLN for Polish Anti-Doping Agency; 800 000 PLN for Polish Anti-Doping Laboratory; 25 000 000 PLN for the National Sports Centre). As for the Fund for Development of Physical Culture, it is financed mainly by revenues from games of chance. Its expenditure amounts to 1 025 875 000 PLN (including, for instance, renovation and rebuilding of sport venues – 567 000 000 PLN; popularizing sports among children and youth – 393 825 000 PLN). The Ministry competent for physical culture is in charge of the Fund’s financial means.

National sports organizations are among beneficiaries of the budgetary financial means assigned for physical culture, as they can apply to the ministry com-

petent for physical culture for the subsidy. Every year, the ministry competent for physical culture organizes a number of programmes related to various sport-related activities and operations (investments in infrastructure, training and participation of national teams in international tournaments, etc.) and announces calls for implementation of these tasks. Polish sports associations can apply for a subsidy in order to deliver the task. As there are a number of various programmes announced by the ministry competent for physical culture and addressed, inter alia, to national sports organizations, we would like to use one of them as an example. On the government website (under the following link: <https://www.gov.pl/web/kulturasport/nabor-wnioskow-na-dofinansowanie-w-2021-r-realizacji-zadan-w-ramach-programu-sport-wszystkich-dzieci>) you can find a call for applications for a subsidy related to implementation of tasks under the programme „Sport for All Children” (Program Sport Wszystkich Dzieci na 2021 r.), which contains a detailed legal framework, procedure, objectives, evaluation, etc. For instance, as stated in part III, tasks subject to financing include supporting projects managed by Polish sports associations which aim to promote sports among youth and children. As stated in part IV, among entities authorized to apply for a subsidy are Polish sports associations. Part V specifies the financial means allocated for these tasks – the amount is 18 000 000 PLN. The term – from 4 January to 31 December 2021 – is set out in part VI. Requirements and conditions are set out in part VII; for instance, it is identified which costs can be covered by financial means distributed by the ministry competent for physical culture, including remuneration of coaches, purchase of sport equipment, rental of sport facilities, accommodation. Criteria for evaluation of applications are laid out in part VIII. It is required from applicants, inter alia, to formulate a coherent strategy for promoting sports among youth and children; to run activities and have statutory objectives related to promoting sports among youth and children; to have the scale, impact and resources necessary for implementation of the tasks; to have experience in performing similar tasks; to present the calculation of costs, which shall be efficient and reasonable, and inform about its own financial resources and financial means obtained from other sources, including EU funds and resources from local government.

When it comes to the number of national sports organizations receiving support from public sources, the establishment of such entity requires the approval of the ministry competent for physical culture, as mentioned before and as stipulated by Article 7(2) of the Act of 25 June 2010 on Sport. There are 69 Polish sports associations (as of September 2020) listed on the archive website of the dissolved Ministry of Sport.

As for factors which affect a possible increase or decrease in public funds for national sports organizations, the budgetary support for a next calendar year might increase or decrease depending on the needs of a particular national sports organization, the content and scope of its application and other circumstances (for instance, financial situation in the country).

When it comes to reporting on, monitoring and evaluation of performance of sports organizations, the Act of 25 June 2010 on Sport states that „the activities of Polish sports associations shall be supervised by the minister competent for physical culture”. As mentioned above, the supervision and evaluation of national sports organizations is stipulated in detail by its Chapter 4 (Articles 16–23), which is titled „Supervision over a Polish sport association”. Moreover, under separate provisions, each legal entity, including sports club, is required to present a financial report for the previous year and to submit a Corporate Income Tax declaration, while the sports clubs which operate as foundations are required to draw up an annual activity report.

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