



Operating Support Program

Application Guidelines

For July 1, 2018 through June 30, 2019

Grant Deadlines and Start Dates

August 15, 2018 Intent to Apply and Schedule a Site Visit

Applications due **Friday, September 28, 2018**

for support **January 1-December 31, 2019**

This program offers unrestricted funding for regional nonprofit arts organizations. This program recognizes that arts organizations with an established record of programmatic service and administrative stability should have access to funds to support their operational goals and objectives.

The Operating Support grant is awarded on a one-year-plus-one-year formula. Grants of up to \$8,000 will be made based on an organization's relative score and size. Actual amounts may be significantly less depending on how many qualified organizations apply.

Criteria:

- Artistic Excellence and Leadership (25%)
- Management and Fiscal Responsibility (25%)
- Assessment and Evaluation (25%)
- Community Accessibility (25%)

Note: There are substantial changes in this program for FY2019. Support for qualified recipients is for unrestricted operating support and there is no longer a one-year waiting period between grant requests. Grants may be renewed for a second year. Awards are dependent on the number of qualified applicants and may be smaller than previous years.

This information can be made available in the following alternative formats: Braille, large print, and audio tape. We also can help your group find a language interpreter to translate these guidelines. To accommodate your request, the Arrowhead Regional Arts Council will need at least 10 working days.

Arrowhead Regional Arts Council
The Ordean Building
424 West Superior Street, Suite 104
Duluth, MN 55802
218-722-0952 or 800-569-8134
info@aracouncil.org
MN Relay Service 1-800-627-3529

About Us

Mission: The Arrowhead Regional Arts Council (ARAC) seeks to facilitate and encourage local arts development. This mission statement grows from a conviction that the arts improve the quality of life in the region.

Legislative Mandate: ARAC is one of eleven regional arts councils designated by the State of Minnesota "to make final decisions on the use of legislative appropriations for local/regional arts development." ARAC is charged to assess the needs of the seven counties in the Arrowhead Region and to plan and administer programs and services based on its assessment.

Arts and Cultural Heritage Fund

Mandate: ARAC receives funding from the Legacy Amendment which was appropriated by the State Legislature with money from the vote of the people of Minnesota on November 4, 2008. The intent of this funding is to support and create access to the arts for artists, arts organizations, and communities; to support arts education for Minnesotans of all ages; and to support diverse ethnic and cultural arts traditions represented in this state.

McKnight Foundation: ARAC receives additional funding for its individual artist programs from the McKnight Foundation.

Eligibility

Who's Eligible?

Arts organizations in the following Arrowhead counties: Aitkin, Cook, Carlton, Itasca, Koochiching, Lake, or St. Louis.

What Kind of Organizations?

- State-registered and federally-recognized non-profit, tax-exempt organizations with a focus on the arts.
- Your organization must be an arts producing, arts presenting, or artist service agency, dedicated primarily to the arts. "Primarily" is defined as more than 75% of your organization's activities and budget must be solely dedicated to the arts.
- The majority of your programming, services, or activities must take place in Minnesota, and must primarily serve and engage Minnesota audiences and participants.
- Your organization must have a history of at least one year of arts-related programs and services prior to applying.
- Your organization must have at least one paid or designated volunteer staff person.
- Local chapters of state or national organizations are only eligible to apply if they are administratively independent.

If your group has not yet received non-profit, tax-exempt status, you may apply by using a non-profit organization, accredited school, tribal government, or other unit of government as a fiscal sponsor. For information on how to use a Fiscal Sponsor, see the [Fiscal Sponsor Guidelines](#) page on our website, or contact us directly.

Coordination with Minnesota State Arts Board Support

Organizations currently receiving Operating Support from the Minnesota State Arts Board (MSAB) are not eligible to apply to this or any other ARAC program, though they may serve as an eligible group's fiscal sponsor or project partner. Past ARAC grant recipients with an overdue, unaccepted, or falsified final report are ineligible to apply.

Important Dates

Wednesday, August 15 to submit a Request for Site Visit form via our grant portal.

Friday, September 21 to have completed your site visit.

Applications due Friday, September 28, 2018 for support starting **January 1, 2019**

All dollars must be expended by **December 31, 2019**

Applications for a second-year extension of the funding are due **Friday, Sept. 27, 2019**.

How Many ARAC Grants Can an Organization Receive in One Year?

In a single ARAC fiscal year (July 1-June

30), an organization can receive grant funding of **up to \$20,000 total** from applications reviewed in all eligible programs.

Americans with Disabilities Act

Funded applications must comply with the Americans with Disabilities Act (ADA). The ADA requires that organizations make access to publicly funded projects available to people with disabilities.

For more information contact: VSA Minnesota at 612-332-3888, craig@vsamn.org, www.vsamn.org, or the MN State Council on Disability at 800-945-8913, council.disability@state.mn.us, www.disability.state.mn.us.

New for Fiscal Year 2019

- All organizations that reach a minimum score of 70% in our board evaluation will receive a share of the funding.
- **All organizations that wish to apply for funding must schedule a site visit (via a Request for Site Visit form) with ARAC staff before applying for the grant. The site visits must be scheduled by August 15, 2018, and take place by September 21, 2018.**
- Applicants must list their fundraising strategies on the grant application and include at least one example of a grant application they have submitted to another funder for support. More points will be awarded to organizations that have a realistic

and well-executed fundraising strategy.

- Applicants must show they have appropriate assessment and evaluation underway. At the ARAC staff site visit, the organizations should share their evaluation steps, including realistic assessments of items for improvement and action steps. Because this material may prejudice a grant review, ARAC staff will not share details with the review panel, but will assign the organization’s assessment and evaluation program a score of Excellent, Good, Passing, Needs Improvement, Negligible.
- Organizations that receive funding in fiscal year 2019 can extend that funding for one year if they remain in good standing and complete a simplified application in September 2019.

Distribution of Funds

All organizations that score more than 70% will be funded on a relative basis. ARAC has increased the amount of funding for operating support for the FY19 round by 33%.

Points will be awarded on the following basis:

<i>Merit Score</i>	<i>Multiplier</i>
<i>85% and above</i>	<i>5</i>
<i>76%-84%</i>	<i>4</i>
<i>70-75%</i>	<i>3</i>

<i>Organization Budget Size</i>	<i>Multiplier</i>
Multiplier is the proportion of the organizational arts budget/\$100,000 to a maximum of 1.	

Example:

An organization with a budget of \$70,000 per year that scored a 76% on the evaluation would receive 4 x .7 points or 2.8 points. If 12 organizations received a score of 70% or higher and this organization was the average size and score, then this organization would receive \$4,170 for FY19.

Last year, 14 organizations applied for Two Year Operating Support and one scored 85% and above, 10 scored between 76% and 84%, and one scored between 70% and 75%

What Kinds of Organizations or Activities are Ineligible for Funding?

- The organization’s primary activities are designed for private audiences that are not open to the general public.
- The organization’s primary activities function as graded school curriculum.
- The organization’s primary activities involve political lobbying or attempts to influence state or federal legislation.
- The organization discriminates against persons or groups.
- The funds cannot be used to establish or contribute to an endowment.

- The funds cannot be used for capital improvement or construction.
- The funds cannot be used to purchase real property.
- The funds cannot be used to purchase alcohol.
- No funds from this grant may be used for out-of-state travel or to support projects out of state.
- The organization received operating support from state general fund appropriations.
- Attend an ARAC workshop if possible.
- Contact the ARAC office to view past applications. You can learn from others' success.
- Proofread your application and make sure that your narrative addresses all parts of the questions.
- Have a person who is not involved in your project read your application. It helps to have a fresh set of eyes look at your application before pressing submit.

Note: ARAC has attempted to provide a thorough and clear articulation of its eligibility rules, but it reserves the right to declare an application ineligible for reasons not explicitly stated here. If you have questions about the eligibility of your project, please contact the office. Grantees are responsible for complying with all federal, state, and local laws, rules, regulations, and ordinances in relation to the use of these funds. Failure to comply may result in termination or forfeiture of the grant.

Tips on Applying for Grants

- First time applicants are strongly encouraged to contact ARAC staff at 218-722-0952, 800-569-8134, or digby@aracouncil.org to discuss the eligibility of their activity or project.
- ARAC staff will review your grant application if you request that review two weeks or more before the grant deadline. Staff assistance in no way implies your grant request will be funded.

How to Apply

Applications must be completed and submitted using the [ARAC Grant Portal](#). Submissions in any other format, including email, will not be accepted. Instructions for navigating the ARAC Grant Portal can be found both in the guidelines and on the [ARAC website](#).

To be eligible, your application must include all the required materials. Applications must be submitted by 4:30 p.m. on the deadline date. Applications received after this time are ineligible and will not be reviewed. **There are no exceptions to this policy.**

Accessing the Grant Portal

You can access the link to the [ARAC Grant Portal](#) through the program page on the ARAC website.

If You are a First-time Applicant:

1. Click on "Create New Account."
2. Complete the registration form with all of your contact information. Fields marked with an asterisk (*) are required.
3. Important: The email address you use to register will be your user login to get back into the system. You will need this login and password for future applications or follow-up materials. All communication for your grant will also come to this email address, so remember to add administrator@grantinterface.com to your safe senders email list.

If You are a Returning Applicant:

1. Click "Log On" and enter your email address and password.
2. If you have forgotten your password, click on the "Forgot Your Password" link and a link to reset your password will be sent to your email address.
3. Once logged in, you will be able to view past grant requests and available grant applications.

To Start Your Application:

1. Click "Apply" on the top menu. This will bring you to a list of currently available grant programs and applications.
2. Click on the "Apply" button under the "Operating Support" section to start your application.
3. You will first fill out an LOI (Letter of Intent) called a Request for Site Visit which will be used to coordinate your site visit as well as ensure that you have read the program guidelines. After the site visit has been scheduled you will be allowed access to the remainder of the application.

Completing the Application

Save your work frequently. The "Save" button is located at the bottom of the page.

The beginning of the application contains multiple demographic fields. This statistical and demographic information at the beginning of the application is used for data collection and reporting, and is not used in the review of your application. Fields marked with an asterisk (*) are required.

Narrative Questions

Artistic Excellence and Leadership (25% of your score)

In this section, describe your organization's mission, programs, and services.

- What is your organization's mission and artistic vision for the next year? What are your organization's current programs and how do they further its mission?
- How do your organization's programs support area artists and/or attend to the artistic growth of your constituents?
- Who is responsible for the artistic and administrative leadership of your organization? Describe their qualifications.
- How does your programming facilitate growth of the artistic discipline(s) for the organization's constituents?
- How does your organization contribute to community vibrancy through the arts?

Management and Fiscal Responsibility: (25% of your score)

In this section, describe your organization's administrative, planning, and fiscal capabilities.

- What is your board and staff configuration? What are their roles and responsibilities?
- Explain your organization's commitment to fiscal stability. Are your bookkeeping, fundraising, and financial strategies appropriate for your organization's size and constituent community?
- Describe your organization's fundraising strategies. List recent grant applications you have attempted. (You will be asked to attach at least one example of a grant application

the organization has submitted to another funder for support.) More points will be awarded to organizations that have a realistic and well-executed fundraising strategy.

Assessment and Evaluation (25% of your score)

In this section, describe your organization's assessment and evaluation processes.

- How does your organization use assessment, evaluation, and feedback to shape your organization's planning process, goals, strategies, and programming?
- What does your organization do on an ongoing basis to assess and evaluate whether your programs are addressing the needs of your constituents?

Community Accessibility (25% of your score)

In this section, describe your organization's accessibility to your community.

- What evidence is there that your organization's services and programs are approachable and available to a broad public audience? How do your services and programs provide a public benefit to Minnesota?
- Does your organization's programming appropriately comply with the Americans with Disabilities Act?
- What does your organization do to address economic, geographic, physical, or cultural barriers?

Optional:

- Is there anything more you would like to tell ARAC about your organization?

Second-Year Funding

To receive funding for a second year, grantees will be required to fill out a simplified application that asks them a variety of questions related to state reporting and three substantive questions:

1. What has changed about the way the organization operates since you applied for Operating Support funding?
2. What successes has your organization experienced during the period of operating support?
3. What has your evaluation work during your first year of operating support taught your organization?

You will also be required to attach a copy of your organization's most up-to-date financials and a copy of the budget for a second year of operating support. In addition, you must attach a copy of materials that show you are complying with the credit acknowledgement requirement using the following credit line: "Operating support is made possible in part by the voters of Minnesota through a grant from the Arrowhead Regional Arts Council, thanks to legislative appropriation from the arts and cultural heritage fund."

The deadline for this second-year application will be the last Friday of September, which is September 27, 2019.

Proposed Budget

Click on the link to download the [Grant Budget Template](#). Save the file to your computer before filling it out. Once you have filled out the budget, save it and then upload it into the File Upload space provided in your application. Operating Support focuses on offering unrestricted funding to qualified organizations to help strengthen their operations without a special emphasis on specific projects or new initiatives as a justification for funding.

Funding may support the following:

- Administrative salaries and wages
- Unexpected changes to general operating expenses such as rent, supplies, utilities, travel, etc.
- The purchase of equipment or small capital expenses
- Fees for professional consultants
- Board, staff or organizational development activities
- Networking activities
- Staff or consultant's time to develop and create assessment and evaluation strategies
- Staff, board, or consultant's time to create a fundraising plan that encourages sustainability
- Other identified expenses necessary to the mission of the organization

The first column contains actual revenue and expenses for your most recently completed fiscal year. The second column is for revenue and expenses for your current fiscal year. The third column is for the projected revenue and expenses for the following

fiscal year, the year of your grant. The fourth column provides a space for you to add notes on the line items in your budget.

Previous Fiscal Year's Actual Budget: In the first column on the budget, list your actual revenue and expense figures for your most recently *completed* fiscal year in the line items provided. Round all estimated expenses to the nearest **\$10**.

Current Fiscal Year: In this column list your current fiscal year revenues and expenses. Round all estimated expenses to the nearest **\$10**.

Next Fiscal Year: In the third column, list the expected revenue and expense for the next fiscal year, which will be year of operating support should you be awarded. Round all estimated expenses to the nearest **\$10**.

Filling Out the Operating Revenue Section of the Budget:

1. **Cash:** List the actual and proposed cash-on-hand at the beginning of each year. This may include leftover general operating funds, past surpluses, etc.
2. **Business, Foundation, and Membership Support:** List on these lines the anticipated or received support from community businesses, foundations, or membership for each year.
3. **Earned and Endowment Income:** List on the Earned Income line revenue from tickets, registration fees, class fees, program ads, book sales, etc. List on the Endowment Income line revenue from any endowments your organization might receive in each year.

4. **Fundraisers:** List anticipated revenue from proposed fundraisers for each year.
5. **ARAC Grants Received/Anticipated:** List received and projected support from ARAC grants.
6. **Other Grants Received/Anticipated:** List support from other grants either anticipated or received for each year.
7. **Other:** List any additional sources of income either anticipated or received for each year.
6. **Artists' Fees:** List all anticipated artists' fees (honoraria, performance fee, teaching fee, etc.) related to your organization's programming and services for each year.
7. **Programming Costs:** List all anticipated programming expenses, not listed on other line items, related to programs and services provided by your organization for each year.

How to Fill Out the Expenses Section of the Budget:

1. **Salaries and Wages of Employees:** List on the Salaries and Wages of Employees line the salary and wages for all projected employees of your organization for each year. *Employees may include the staff, the project director, and/or administrative personnel necessary to carry out your plan.*
2. **Employee Benefits:** List on the Employee Benefits line the projected taxes and benefits for all employees for each year.
3. **Capital Costs:** List all anticipated capital costs for each year.
4. **Marketing and Publicity:** List all anticipated marketing and publicity expenses for each year.
5. **Organizational Development:** List all anticipated development expenses related to your organization, board, and staff for each year. Include on this line the projected expenses for any proposed consultants necessary to carry out your plan.
8. **Supplies and Materials:** List all anticipated expenses for expendable materials associated with your organization's programming and services for each year. Expendable items include such things as program specific supplies, refreshments, office supplies, documentation, etc.
9. **Postage and Printing:** List all anticipated expenses of paper, photocopying, printing, and postage associated with your administration, programming, and services for each year.
10. **Travel, Lodging and Per Diem:** List all anticipated expenses related to transportation, room and board for consultants, artists, teachers, and programming personnel as well as travel related expenses incurred by staff or board members for each year.
11. **Other:** List any additional projected expenses for each year.

Financial Questions

These questions supply the Council with information about your organization's size and stability, and past history of grants received.

- **Previous Grants Received:** List any previous grants received from either ARAC or the Minnesota State Arts Board in the last two years. The purpose of giving this information is to provide additional background on the applicant organization. **Indicate the type of grant (including the grant program name if from ARAC), the amount received, and the year it was granted.**
- **Potential Funding Sources:** List any current or potential funding sources you anticipate receiving.
- **Anticipated Surpluses:** Explain any anticipated surpluses. Explain how you intend to use the surpluses.
- **Anticipated Deficits:** Explain the reason for any anticipated deficits. Explain how you intend to address the deficits.
- **Fiscal Sponsor:** If your organization is using a Fiscal Sponsor, enter their name, address, city, zip code, and daytime phone number, as well as the name of a contact from the organization that is authorized to sign off on your application.

The following documents required for this program must be uploaded, and must be in one of the following formatting requirements: Word, Excel, or PDF. If you have any problems in

uploading the required documents, please contact the office by email at admin@aracouncil.org, or phone at (218) 722-0952.

- **Financial Statements:** Upload board-approved financial statements for your most recently completed fiscal year.
- **Fiscal Sponsor Agreement:** If your organization is using a Fiscal Sponsor, upload a copy of your contractual agreement. Please refer to the [Fiscal Sponsor Guidelines](#) for examples of what an agreement should include.

Required Attachments

The following documents required for this program must be uploaded in one of the following formats: Word, Excel or PDF. If you have any problems uploading the required documents, please contact the office at admin@aracouncil.org or (218)722-0952.

- **Resumes:** Upload a single document containing one page resumes or biographical information for all principal artistic and administrative personnel. Limit each resume to one page per person.
- **Board List:** Upload a list of your organization's current board members with a description of their professional or community affiliations and one or two lines of biographical information.
- **Federal Tax Exempt Determination Letter:** Upload a copy of the federal non-profit, tax exempt [such as 501(c)(3)] determination letter for

either your organization or the group acting as your fiscal sponsor.

Optional Attachments

Applicants may upload optional attachments. These attachments should document, demonstrate, or highlight the artistic quality of your organization's programming.

Optional attachments may include up to six pages total of work samples, articles, reviews, press releases, posters, or other promotional materials which document past activities by your organization. These items help give the review panel a better understanding of your organization and its programming. Documents must be uploaded in one of the following formats: .JPG, .PDF, Word, Excel or as a Power Point slideshow.

Certification

Applicants will need to certify their application with an electronic signature by typing in the names of the following lead positions for the application: Authorizing Official (Executive Director or Board Chair) and Fiscal Sponsor, if applicable. Note that the typed name constitutes as a legal signature in agreement to the following statement: "We certify that the information provided here is true and correct to the best of our knowledge and we will accommodate requests from persons with disabilities to facilitate their access to our programming if funded."

What Happens After I Apply?

1. The staff reviews all applications and materials for completeness and eligibility. Applicants are responsible for the quality and scope of their application. Reminder: Late or incomplete applications are ineligible.
2. Eligible applications are reviewed and approved by the ARAC Board. All applicants will be notified of the meeting and are allowed to observe the proceedings. All board and panel meetings are open to the public.
3. Applicants will be notified via email of the Board's decision within fourteen days of the board grant review. Successful applicants will receive a contract and a final report form which must be completed and submitted within thirty days of completion of the project. Applicants are responsible for updating ARAC in writing of any material changes to their organization.
4. The Board's funding decisions may be appealed solely on alleged procedural errors. An applicant must request an appeal within thirty days of notification of the Board decision. A Review Process Subcommittee, consisting of at least three members appointed by the ARAC chair, will consider any appeals. The Review Process Subcommittee reports its findings and recommendations to the full ARAC Board for action.

For More Information

Please call our office at

(218) 722-0952

or 800-569-8134

Email our Executive Director at

digby@aracouncil.org