



# FY17 LRAC Operating Support Guidelines

Effective Date: July 1, 2016

## Grant Information

- Amount: 10% of the FY15 Annual Expenses, up to \$6,000 maximum
- For: Arts Organizations with FY14 Annual Expenses **less than \$166,000 (verify new number from MSAB)**
- Purpose: To strengthen and stabilize the art organizations in the LRAC region.

## Grant Review Schedule

Grant Writing Workshop: Tuesday, November 29, 2016, 3:00 to 5:00 pm or call the LRAC Office for assistance.

**Application Deadline: Midnight, Tuesday, January 10, 2017**

Grant Review: LRAC February Board Meeting, Tuesday, February 21, 2017

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## Grant Questions

If you have questions, contact the LRAC Office:  
By Phone **218-739-5780**  
Toll Free **800-262-2787 (MN)**  
By Email **LRAC4@LRACgrants.org**

LRAC Offices are located in the historic River Inn  
133 South Mill Street  
Fergus Falls, MN 56531

## I. GENERAL INFORMATION

The Lake Region Arts Council will provide operating support on an annual basis to qualifying arts organizations in the nine counties of the region.

The purpose of these operating support grants is to strengthen and stabilize the art organizations.

The funding for this program is provided by a Minnesota State Legislative appropriation.

## II. ELIGIBILITY OF APPLICANT

*To be eligible for funding, the grant applicant (arts organization) must:*

1. Have the fine arts as its **primary** focus.
2. Be a **non-profit arts organization** with Articles of Incorporation on file with the State of Minnesota.
3. Be located in the **LRAC nine county region**; Becker, Clay, Douglas, Grant, Otter Tail, Pope, Stevens, Traverse and Wilkin counties.
4. Have been in existence and have actively programmed arts events for **at least three years**.  
The start date for the organization is the date listed on their MN Articles of Incorporation Certification or IRS Letter of Notification, *which ever has the earliest date*.
5. Have a **501(c) 3 tax-exempt status** with the Internal Revenue Service.
6. Submit a **complete and accurate application**, providing all requested information. The financial information must be accurate, detailed and appropriate to the proposed use.
7. Have a **Board of Directors** that meets on a regular basis.
8. Have their most recently completed year's actual operating expenses **less than \$166,000**.
9. \*Have **60% of the programming be focused on the arts**, must have 60% of the total operating expenses dedicated to arts activities and arts related expenses. **(new this year)**
10. Be able to demonstrate the **high quality of the arts** products, services or activities they provide and their impact on the community.
11. Give a **specific intent for the funds** to be granted. \*If requesting funding for utilities, provide proof of previous year's utility expenses with statements or invoices. **(\*new FY16)**
12. An organization receiving LRAC Project Grants **may apply** for LRAC Operating Support.
13. Have a current year profile in the Cultural Data Project and granted **CDP Funder Report "View Report"** status to LRAC.

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## II. ELIGIBILITY OF APPLICANT (CONTINUED)

### *Applicants not eligible for funding:*

1. Any organization whose primary focus is *not* the fine arts.
2. Any organization already receiving Operating Support Funds from the Minnesota State Arts Board or Operating Support from the McKnight Foundation is not eligible to apply for LRAC Operating Support. However, McKnight Operating Support grantees are eligible to apply for LRAC Project Grants. Call the LRAC office if you have questions.
3. Schools, universities, public radio and television stations, libraries, museums, civic organizations (such as chambers of commerce and other community service agencies), churches, religious organizations, or units of government.
4. Any organization, which has a final or mid-term report overdue or not approved by the LRAC staff from past LRAC grants

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## III. ELIGIBILITY OF FUNDING

1. The applicant may request funding for up to **10%** of the applicant's most recently completed fiscal year's actual expenses, to a **maximum of \$6,000 per year**.
2. The total amount requested may be allocated between the four funding categories listed below, **adding up to 100%** of the funding request. Please provide **specific details** for the expenditures within each category.
  - A. **Operating support grants:** rent, insurance, utilities, publicity, postage, etc. *Proof of previous utilities expenses is required, statements or invoices acceptable. (\*new as of FY16)*
  - B. **Administrative support:** salaries, etc.
  - C. **Capital expenditures:** purchase of equipment.
  - D. **Building projects:** construction, purchase and renovation of buildings.

## III. ELIGIBILITY OF FUNDING (CONTINUED)

There are certain restrictions on the funds that the LRAC administers.

The LRAC **cannot consider** an application for an Operating Support grant if any of the following conditions exist:

1. The organization is a recipient of General Operating Support Funds from the Minnesota State Arts Board.
2. The organization is a recipient of Operating Support from the McKnight Foundation.
3. The applicant has final or mid-term reports overdue or not approved by LRAC staff from past LRAC grants.
4. The application is not complete and accurate, providing all requested information.
5. The request is from an organization that promotes religious backgrounds, faiths or beliefs or the event is designed essentially for the religious socialization of the audience.
6. The request is for an individual instead of an organization.
7. The fine arts are not the primary emphasis of the applicant organization.
8. The request is to reduce or eliminate accumulated deficits.
9. LRAC operating support funds may not be used as a match for other LRAC grants.
10. The organization's activities are for "members only". Organizations must provide for significant community involvement.
11. The organization or its activities promote a particular political agenda or beliefs.

***If you have any questions about any of these restrictions, please call the staff at the LRAC office.***

## IV. APPLICATION PROCEDURE

### Application Assistance

Applicants are encouraged to contact the LRAC office early in the planning process so the staff can provide assistance.

Applicants are encourage to attend the grant writing workshop prior to submitting a grant application.

Such assistance in no way implies that a grant request will be funded.

In addition, grant application tips sheets are available online at the LRAC website, [LRAC4.org](http://LRAC4.org) under the **Grants** heading, **Tip Sheets**.

LRAC Board members may also provide advice and assistance to applicants during the grant preparation period.

An LRAC Board member who provides assistance in grant preparation must declare a **conflict of interest** during the review of that application and may not vote on or rank that application.

Advice and assistance from the LRAC Staff or Board during the application process does not guarantee that the application will be completely free of errors or omissions.

### Application Submission

After reading these guidelines, the applicant should log on to the LRAC online grant application site at **LRACgrants.org**.

1. Complete an applicant profile.
2. Select the Operating Support Grant and complete the nine steps of the application.
3. Mark each page marked completed.
4. Submits the grant application online. Print a copy of the application for your reference.
5. Submit all required supporting documents.

The application must be submitted to the LRAC Grants online application [[LRACgrants.org](http://LRACgrants.org)] website by **midnight of the deadline date**.

This submission is the time and date stamp for the grant application and the applicant will receive a confirmation email of their submission.

The **authorization signature page and all supporting documents** must be emailed by midnight, or mailed with the deadline date postmark or hand delivered to the LRAC office by 5:00 pm on the deadline date to be eligible for consideration.

The LRAC staff will be assigned a file number the applications based on the order they are submitted. During the review process they will be considered in this order.

When the application is received in the LRAC office, it will be checked by the LRAC staff for completeness.

If the application is incomplete, an effort will be made to contact the applicant prior to the distribution of the applications to the LRAC Board to obtain needed information, or to correct minor errors.

Once the applications have been sent to the LRAC Board, there will be no further changes or corrections made to the applications.

If necessary, the LRAC staff may arrange a site visit by a LRAC Board Director or staff member.

*The content, accuracy and completeness of an application are solely the responsibility of the applicant.*

## IV. APPLICATION PROCEDURE (CONTINUED)

### A Complete Application includes the following:

1. The online grant application with all required sections completed, including past art activities, all past financial support (3 years), along with a complete and accurate profile listing paid staff, and board members.
2. The **authorized signature page**, with the correct signatures, electronic signatures are acceptable.
3. **All required résumés** for Project Director, Artistic Director (if applicable), and Management including Board bios or resumes.
4. **A copy of the applicant's by laws.** Once an organization has submitted their bylaws, it will be maintained in their permanent file along with the IRS Verification Letter and State of Minnesota Articles of Incorporation Certificate.
5. A copy of the **most recently completed year's** financial statement such as the treasurer's report from the annual meeting, annual audit or IRS 990 form and a copy of the most **recent CDP financial profile**
6. **Copies of utility statements** from the past year to document this expense request. (if applicable).
7. **Two estimates or quotes** for equipment purchase (if applicable).
8. **Two estimates or quotes** for **capital improvement** projects, (if applicable).
9. **For first time applicants,** Copies of IRS Verification Letter and Minnesota Article of Incorporation Certificate. (First time applicants need to have a three year history of arts programming; see page 2, section II Eligibility of Applicant.)

*All applications submitted on the deadline date are not eligible for revisions and no corrections or changes are permitted to the application.*

*It is therefore to the applicant's advantage to submit the grant application well before the deadline date.*

### Supporting Documents

All supporting documents listed in the table to the left which applicable to the organization's grant request, should be submitted electronically to the LRAC email;

**LRAC4@LRACgrants.org**

Any large electronic **files exceeding 3 MG** should be uploaded to a cloud site such as "Drop Box" or "Google docs" and a shared link should be emailed to LRAC. Another option would be to submit CDs or DVDs to the LRAC office by mail or in person.

***The LRAC will not be responsible for any loss or damage to materials submitted with the grant application.***

### **Tip**

Once submitted, **print a PDF copy** of the application for your records using the link at the bottom of the Artist Small Grant Home Page.

**Your application has been marked complete on 3/29/2012 1:34:00 PM.**

**The Arts Council has been notified.  
Thank you**

**Print Application**

## V. REVIEW PROCEDURES

### Grant Review

▶ LRAC Board members receive copies of all applications, either electronic or paper copies, at least one week prior to the review session. .

▶ After grant applications have been formally submitted, board members are prohibited from discussing them with grant applicants. Applicants should direct questions to the LRAC office staff.

▶ In fairness to all applicants, the council will consider only the information on the application form and the accompanying materials during the grant review.

▶ Review meetings are open to the public. Applicants may not offer additional information at the grant review meeting.

▶ The council observes strict procedures to prevent any conflict of interest.

▶ In arriving at decisions, council members determine

**First** the eligibility of the applicant based on the organization's eligibility,

**Second** Operating Support Plan Eligibility based on funding restrictions.

The council discusses each application in relation to the project eligibility criteria.

***Any applicants that are determined to be ineligible shall be eliminated from the review process.***

▶ Next, through majority vote, the council determines whether the grant application will be funded based on the four review criteria or denied funding based on specific criteria.

### Ranking

After determination of funding, each project will be ranked. Points acquired by each application are totaled and divided by the number of council members ranking that project.

Projects are ranked in order from high score to low score. Grants are then awarded according to their rank.

Applicants should be aware that although an application may be approved for funding, its rank might determine that it will receive partial or no funding.

If two application receive identical rankings, the application with the earliest submission will be given priority.

### Notification Process

Applicants are notified of funding decisions within two weeks after the grant review.

Applicants wishing to know the funding decision after the LRAC Grant Review may log into the LRAC All Grant Home Page (LRACgrants.org) to check out the status of their application or call the LRAC office after 3 p.m. the following day

If funding is approved, the applicant will be sent a Grant Contract and the Request for Payment form with the notification letter.

Written notice of partial or denied funding will be sent by U.S. mail. If a revised budget and/or project description are necessary, applicants will receive a contract letter within 30 days after the receipt of the revised budget.

### Funding Distribution

Upon receipt of the signed grant contract and request for payment forms, 80% of the grant funds will be mailed to the grantee.

Upon approval of the final report, the remaining 20% of the grant funds will be sent to the grantee provided the final report conforms to the project approved by the Board.

## VI. REVIEW CRITERIA

Projects supported by the LRAC are expected to encourage and reflect the highest possible standards of artistic excellence. The following review standards are a guide to what the LRAC will consider in its evaluation of proposals. It is to the applicant's advantage to address these criteria completely.

### I. Quality and Excellence in the Field:

Does the organization define standards for its product?

Does the organization evaluate its activities?

Who makes the artistic decisions and what is their background?

If a capital request, will support lead to an improved artistic product?

### II. Commitment to Community Access:

To what groups of people does the organization reach out?

How is the community responding?

If a capital request, will the funding benefit the organization's relationship to its community?

How does your organization respond to your community's desires for expanded programming?

Are the organization's activities open to the entire community, or membership based?

### III. Commitment to Art Form:

Does the organization respond to changing directions of the art form(s) it provides?

Does the organization respond to changing needs within the community?

Who or what provides feedback and how is that feedback used to determine new directions?

### IV. Organizational Stability and

#### Commitment to Sound Management:

Does the organization plan?

Who makes the managerial decisions and what is their background?

Is the organization fiscally sound?

If a capital request, what impact will support have on the stability of the organization?



## VII. GRANT RECIPIENT RESPONSIBILITIES

**If a grant is received, the grantee must:**

**A. Sign and submit** to the LRAC within *45 days of mailing*, one copy of the LRAC "request for payment" form and the grant contract, which includes the following:

**Terms of Agreement:**

1. The project will be carried out in compliance with the project description, budget and dates as set forth in the application.  
**Any significant revisions in the project must receive prior approval of the LRAC before expenditure of grant funds.**  
The types of changes would include large budget expenditures, i.e. in excess of \$500, changing artists, venues or dates, or scope, focus or artistic intentions or the project.  
Any requests for revisions submitted between LRAC Board meetings will be considered at the next scheduled meeting.  
**Depending on the decision made by LRAC at the meetings, the grantee may or may not be required to return money to LRAC or may or may not receive their final 20% payment.**
2. **Access to participation** in the project will not be limited on the basis of national origin, race, religion, age or sex.
3. The following **credit line must appear** on all programs and publicity related to the project:
 

**"This activity is funded in part by a grant from the Lake Region Arts Council through a Minnesota State Legislative appropriation."**
4. At the end of the Operating Support Grant Year (December 15, 2017), **a narrative and financial final report** will be submitted online to the LRAC All Grants Home page, **LRACgrants.org/**. This final report will include samples of publicity, programs, etc. containing the LRAC credit line in item 3, which will be sent to the LRAC office by email or regular mail. **A link to a shared documents in a cloud website is recommended for large files.**

- B. Be legally responsible** for the completion of the project and for the proper management of the grant funds.
- C. Maintain** records, documents, or papers that show evidence of use of grant funds. The LRAC reserves the right to audit the project and/or the organization if circumstances warrant it.
- D. Comply** with the requirements of the federal Americans with Disabilities Act (ADA) or show evidence of a plan to accommodate persons with disabilities. For assistance with this topic, contact the LRAC office at 1-800-262-2787 or 218-739-5780; or contact:

**VSA arts Minnesota at 1-800-801-3883 or visit <http://mn.vsarts.org>.**

### Active Submitted Grant Applications

This section contains all your submitted grants that are currently being processed. You may access and view any of these grants but you will not be able to edit any of the material. If you have final reports to do for Grants that are in the process, there will be a **Final Report Form** link next to the grant that will allow you to enter your Final Report online. The LRAC Review Comments are also on the Home Page of the grant.

**Artist Small Grant** FY11 Round 2 - Proposal 1 - Grant Awarded **Final Report Form** Due Date: 6/14/2012

## VIII. GRANT TERMINATION

**A grant contract may be terminated at any time:**

- ⇒ By mutual written consent of the LRAC and the recipient;
- ⇒ Upon the written request of the recipient, but such termination shall not necessarily relieve the recipient of its responsibilities as set forth in the contract;
- ⇒ By the LRAC upon the failure of the recipient to comply with one or more of the conditions of the contract. Such termination shall be effective upon receipt of written notice by the recipient.

## IX. REVOCATION OF FUNDS

A commitment of funds to a recipient may be rescinded by the LRAC if one of the following conditions exists:

1. The recipient does not return the signed contract and/or attachments within 45 days of the date it is received.
2. The recipient does not return a revised budget and project description within 30 days of the date of notification of the LRAC action by letter.

Occasionally, additional "riders" or conditions will be placed on the use of the grant funds. These conditions, or in some cases recommendations, from the council, will be clearly outlined in the contract.

## X. APPEALS POLICY AND PROCEDURE

*Grant applicants may appeal the decisions of the LRAC only on the basis of procedure used during the review of the grant applicants. The appeals procedure is as follows:*

1. Applicants must notify the LRAC office, in writing, of their wish to have an appeals hearing and the basis for the appeal. The applicant has **ten business days from the date of receipt** of the LRAC funding decision to submit this letter.
2. The appeals committee reviews the request for an appeals hearing and recommends to the chair whether or not there is a basis for an appeal. This recommendation is sent to the chair within ten business days of receipt of the request for an appeals hearing.
3. The chair then authorizes an appeals hearing or denies the request based on the committee report. If it is determined that there is no basis for an appeal, the applicant is so informed. The chair must take one of these actions within ten business days of receipt of the appeals committee recommendation.
4. When an appeals hearing is authorized, it is scheduled by the appeals committee chair with the applicant. Following the hearing, the appeals committee makes a recommendation to the LRAC at its next regularly scheduled meeting.
5. The LRAC then reviews the committee recommendations and makes a final decision on the appeal. The applicant is then notified of the LRAC's decision within ten business days of that LRAC meeting.