

## **GENERAL OPERATING SUPPORT Information and Instructions**

### **Fiscal Year 2009**

The Delaware Division of the Arts awards General Operating Support (GOS) grants to Delaware arts organizations in support of their annual operating expenses.

Eligible arts organizations may also submit supplemental information with their General Operating Support application package to apply for Public Impact, Technical Assistance, and Arts Stabilization grants. For details on these and other grant opportunities for arts organizations visit [www.artsdel.org/grants/artsorggrants](http://www.artsdel.org/grants/artsorggrants).

**General Operating Support: Abbreviated** A streamlined General Operating Support: Abbreviated application is **required for arts organizations who've not previously received GOS funding and for those seeking a maximum grant award of \$2,500.** General Operating Support: Abbreviated: Information and Instructions can be found at: [www.artsdel.org/grants/artsorggrants](http://www.artsdel.org/grants/artsorggrants).

### **Eligibility**

To be eligible for General Operating Support, applicants must:

1. Have the promotion, presentation, production, and/or teaching of the arts as their primary purpose as outlined in their charter, incorporation papers, bylaws, and IRS nonprofit determination letter.
2. Have a stable, functioning board of directors that meets at least quarterly.
3. Be based and chartered in Delaware as a nonprofit organization; exempt from federal income tax under Section 501(c)(3) or 501(c)(4) or 509(a) of the Internal Revenue Code; and eligible to receive donations allowable as charitable contributions under Section 170(c) of the Internal Revenue Code of 1954.

*Please note the following restrictions:*

- The Division will not accept applications through fiscal agents.
- No individual may compile or submit an application on behalf of an organization if that individual is a member or relative of a member of the Delaware State Arts Council or Division staff.

Receipt of state and federal grants carries with it certain obligations and responsibilities. The Division of the Arts retains the right to withhold funding if a grantee is found not to be in compliance with state and/or federal obligations.

Before beginning the grant application process, review the information contained in the following documents: *Delaware Division of the Arts Grantee Responsibilities*, and *National Endowment for the Arts Requirements for Subgrant Recipients*. These documents explain the obligations of Division grantees. Both reports can be downloaded at [www.artsdel.org/grants/artsorggrants](http://www.artsdel.org/grants/artsorggrants).

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## Application Cycle

All organizations applying for General Operating Support in the FY2009 application cycle will be considered for one-year funding only. Organizations approved for the two-year cycle in Fiscal Year 2008 will be required to submit an Interim Report with updated program and financial information, in lieu of a full application for Fiscal Year 2009. Interim Report information and instructions can be found at [www.artsdel.org/grants/artsorggrants](http://www.artsdel.org/grants/artsorggrants).

Applications will only be considered for the two-year funding cycle in even-numbered fiscal years. A two-year application will be available next year for the FY2010 cycle. At that time, organizations with three or more consecutive years of Division General Operating Support, sustained and consistent programming, and stable financial operations will be considered for a biennial cycle of applications.

Annual applications for Public Impact, Technical Assistance, and Arts Stabilization are still required of organizations on a two-year General Operating Support cycle.

## Evaluation Criteria and Considerations

Grant panelists are selected based on their knowledge and experience in the arts, in business, and in the community. To determine the merits of each applicant, they consider the grant application and supporting documents, and on-site evaluations conducted by independent reviewers.

The following criteria are utilized by citizen panels to evaluate each General Operating Support application.

### *Artistic Quality*

- Demonstrates a commitment to artistic quality in the arts product, process or service provided, as evidenced by the qualifications of artists and artistic leadership, reviews, and public response
- Contributes to an understanding of the art form(s) presented, through interpretive and/or educational activities or materials
- Demonstrates innovation with artistic product, process and/or services

### *Availability of the Arts*

- Fulfills an artistic need in the community
- Demonstrates efforts to sustain and build audiences
- Accommodates people with disabilities
- Collaborates with arts and non-arts organizations to build community support and participation

### *Management*

- Financial information provides adequate detail in a clearly presented format
- Organization appears financially sound
- Engages in strategic or long-range planning
- Evaluates the success of programs and services
- Board contains a range of professional expertise relevant to the organization's mission
- Organization adequately demonstrates its capacity to successfully plan and carry out its programs

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## Grant Award Calculations

Awards are calculated as a percentage of the actual operating expenses of the most recent fiscal year as reported on the IRS 990 form. The larger the organization's operating budget, the smaller the percentage will be for determining the award. No one organization is awarded more than 10% of the Division's General Operating Support grant award budget.

The table to the right indicates the range of General Operating Support grants that were awarded in FY2008 using these calculations.

**Note:** Grant requests for specific dollar amounts are not required.

### Range of grant awards in Fiscal Year 2008

<u>Org budget size</u>	<u>Grant as % of expenses</u>
<50,000	13%
50,000 - 150,000	13 - 10%
150,000 - 500,000	10 - 8%
500,000 - 1 million	8 - 6%
1 - 2.5 million	6 - 3.5%
2.5 - 5 million	3.5 - 2%
>5 million	<2%

**Note:** Awards may vary each year, depending upon available funds and the number of applications that are approved.

## Expenses Eligible for General Operating Support

Funding from General Operating Support grants may be used to support most aspects of an arts organization's annual operating expenses (not including capital expenses), such as:

- Artists' fees
- Administrative costs
- Contractual services
- Facilities operations (utilities, routine maintenance...)
- Marketing or publicity of events/activities
- Personnel (salaries, benefits...)
- Professional development (workshops, seminars, conferences, excluding credit-earning post-secondary coursework)
- Supplies and materials
- Technical costs
- Travel (domestic) and other operational expenses necessary to deliver arts programs and services

## Expenses Not Eligible for General Operating Support

- Activities for which academic credit is given
- Activities outside Delaware
- Awards or cash prizes
- Bad debt
- Building, renovating, or remodeling of facilities
- Capital expenditures and non-consumables valued over \$3,000
- Circus and athletic activities
- Contingency funds
- Expenses incurred outside the grant period
- Fundraising costs (capital/endowment campaigns)
- Investments of any type
- Lobbying
- Meals/refreshments
- Private entertainment
- Projects restricted to exclusive participation or enjoyment
- Projects which have sectarian or religious purposes
- Scholarships or research by individuals

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## Matching Funds

General Operating Support grants are funded on a matching basis. Matching funds must be cash and may not come from the National Endowment for the Arts. Other federal grant sources may be used as match in accordance with authorizing legislation.

## Grant-in-Aid

The Division of the Arts was created by the Delaware General Assembly to serve as the principal mechanism for supporting the arts in Delaware. Arts organizations seeking General Operating Support from the state are expected to apply for support through the Division.

The Division will notify the Delaware Controller General's Office and the General Assembly Joint Finance Committee of all organizations that apply to the Division for General Operating Support. Any arts organization receiving general operating support through other state mechanisms, including Grant-in-Aid, may see an impact in Division funding.

## Grant Period

Funding awarded in the FY2009 grant cycle must be spent on programs and activities that occur during the Division's Fiscal Year 2009, which runs from September 1, 2008 through August 31, 2009.

## Application Deadline and Filing

The deadline for General Operating Support, Public Impact, Technical Assistance, and Arts Stabilization applications is **March 3, 2008**. The Fiscal Year 2009 Arts Organization Grant Application form is used for all of the above grant categories and may be downloaded from the Division web site at [www.artsdel.org/grants/artsorggrants](http://www.artsdel.org/grants/artsorggrants) in either Microsoft Word or PDF format.

### To be eligible for funding, applications must:

- Be typed and submitted to the Division as hard copies on current application forms.  
To reduce waste and speed processing, grant applications should be copied double-sided on white 8.5x11-inch paper; collated and stapled in the order requested; and **submitted without covers, folders, or other packaging**.
- Include all of the necessary information and attachments, presented in the required format.
- Be signed by the organization's chief authorizing official to indicate agreement with all legal and technical requirements as set forth in these guidelines.
- Be collated per the application instructions, with one (1) original and fifteen (15) collated copies of the complete application packet, including all attachments.
- Be **postmarked or hand-delivered** to the Division office no later than 4:30 p.m. on **March 3, 2008**. Facsimile (fax) or e-mail transmission of applications will not be accepted.

## Notification of Grant Awards

After all applications have gone through a grant review process, the Delaware State Arts Council will make final funding recommendations for Fiscal Year 2009 at their June 2008 funding meeting. The recommended grant awards will apply to Fiscal Year 2009 only. Applicants will be notified of final funding decisions after July 1, 2008, following the Council meeting and passage of the state budget. For details on the grant review process, go to *Delaware Division of the Arts Grant Review Process* at [www.artsdel.org/grants](http://www.artsdel.org/grants).

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## Interim Reports and 2<sup>nd</sup> Year Grant Notification

Organizations recommended for two-year funding in Fiscal Year 2008 will be required to submit an Interim Report with updated program and financial information, in lieu of a full application, for Fiscal Year 2009. Interim report information and instructions can be found at [www.artsdel.org/grants/artsorggrants](http://www.artsdel.org/grants/artsorggrants).

Grant award amounts for the second year will be determined by applying the funding formula to updated financial information submitted with the Interim Report. Updated financial figures, the number of organizations in the FY2009 applicant pool, and the Division's budget may impact all grant awards. Recommended grant awards will be reviewed by the Delaware State Arts Council at their June 2008 funding meeting. Applicants will be notified of final funding decisions after July 1, 2008, following the Council meeting and passage of the state budget.

**Annual applications for Public Impact, Technical Assistance, and Arts Stabilization** will still be required of organizations on a two-year General Operating Support cycle. For details on these and other grant opportunities for arts organizations visit [www.artsdel.org/grants/artsorggrants](http://www.artsdel.org/grants/artsorggrants).

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## General Operating Support: Application Procedure

Applicants are required to submit one (1) original and fifteen (15) collated application packets organized in the following order:

### 1. Fiscal Year 2009 Arts Organization Grant Application form

Complete the Fiscal Year 2009 Arts Organization Grant Application form. Check the box marked "General Operating Support" **and** then check the box(es) marked "Public Impact," "Arts Stabilization," and "Technical Assistance," if you are also applying in any of those categories. The application form can be downloaded from the web site at: [www.artsdel.org/grants/artsorggrants](http://www.artsdel.org/grants/artsorggrants).

### 2. Board List

Submit a list of your organization's board members, with the following information. Identify the officers of your board.

- |            |                     |                         |
|------------|---------------------|-------------------------|
| a. Name    | c. Telephone number | e. Occupation/Expertise |
| b. Address | d. Email            |                         |

### 3. Staff List

Submit a list of your organization's key staff members that contains the following information for each member:

- |         |          |                         |
|---------|----------|-------------------------|
| a. Name | b. Email | c. Staff Position/Title |
|---------|----------|-------------------------|

### 4. General Operating Support Narrative

Label your narrative as follows:

***[Arts Organization Name] FY2009 General Operating Support Narrative***

The narrative **must** be double-spaced with 1" margins, using a Times New Roman or Arial 10-point font or larger, and a maximum of **six** numbered pages, copied double-sided. **Note:** Applications that are not formatted in this manner may not be accepted. Pages that exceed the six-page limit will be extracted from the application and will not be reviewed by panelists.

Any supplemental materials included in the application packet should be referenced specifically in the narrative. Supplemental materials should clearly support what you state about your organization and/or programming.

The narrative must include all of the following letter items and address each of the questions. Label each of the items with the indicated italicized headers:

#### ***a. Programs/Activities Description***

Provide a description of the programs and activities that your organization is currently undertaking during FY2008.

#### ***b. Artistic Quality***

How do your programs/activities:

- Demonstrate a commitment to artistic quality in the arts product, process, or service provided, as evidenced by the qualifications of artists and artistic leadership, reviews, public response?
- Contribute to an understanding of the art form(s) presented, through interpretive and/or educational activities or materials?
- Demonstrate innovation with artistic product, process and/or services?

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## c. **Availability of the Arts**

How does your organization:

- Fulfill an artistic need in the community?
- Demonstrate efforts to sustain and build audiences?
- Accommodate people with disabilities?
- Collaborate with arts and non-arts organizations to build community support and participation?

## d. **Management**

How does your organization:

- Engage in strategic or long-range planning? (Applicants that state in their narrative that they have a long-range plan **must** include it with their supplementary materials).
- Evaluate the success of your programs and services?

## e. **Significant Programmatic, Administrative, and/or Budgetary Changes**

Provide an explanation of any significant programmatic, administrative, and/or budgetary changes that have occurred in the past two years or that you anticipate in the upcoming year. This should include an increase or decrease in the amount of programming, staff, and actual or projected income/expenses of your organization.

## 5. **Budget Report**

Label your response as follows: **[Arts Organization Name] Two-Year Budget Report**

Submit a budget report containing itemized information from two budget/reporting periods:

- Most recently completed fiscal year's **actual** expenses and income
- Current fiscal year's **budgeted** expenses and income

**This information must be presented side-by-side so that the two years' figures may be easily compared.**

Budget information can be provided in your own organization's format (but with enough detail to be meaningful) and should reflect **your** organization's fiscal or calendar year. **Note:** If you include in-kind donations, report them in a separate column and be sure that they are reflected as both in-kind income **and** expenses.

Be sure to explain significant budgetary changes (more than 10%) in your narrative. Unusual or "one-time only" expenses or sources of income should be explained on the budget page.

## 6. **Financial Reporting**

Attach **three copies** of the appropriate financial reports for your organization based on its **budgetary size** (see below). Financial reports should reflect your organization's most recently completed fiscal year. (For organizations on a calendar year, reviews or audits covering 2006 are acceptable, if 2007 reports are not yet complete). **Include all three copies of financial reports with the original grant packet.**

**Organizations with annual operating expenses exceeding \$1 million submit:**

Three copies of **your most recent IRS 990** tax report **AND** three copies of an **annual certified audit** for the fiscal year completed prior to the grant deadline.

**Organizations with annual operating expenses between \$250,000 and \$1 million submit:**

Three copies of **your most recent IRS 990** tax report **AND** three copies of an **annual review statement or certified audit** for the fiscal year prior to the grant deadline.

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## Organizations with annual operating expenses less than \$250,000 submit:

Three copies of **your most recent IRS 990** tax report (optional for organizations with budgets less than \$25,000) **AND** three copies of one of the following: **treasurer's report, annual review statement, or certified audit.**

### Financial Report Definitions:

- **IRS 990 Tax Report**
  - Required by the IRS for nonprofit organizations with budgets above \$25,000
- **Certified Audit**
  - Prepared by a certified public accountant who is independent of the organization
- **Review Statement**
  - Prepared by a certified public accountant who is independent of the organization
  - Includes analysis of the most significant portions of the organization's financial results
  - Includes a statement of financial position (balance sheet), a statement of financial activity (income and expense statement), and a reviewer's statement.
- **Treasurer's Report**
  - Prepared by the organization's treasurer
  - Approved by the board and signed by both the treasurer and the board president
  - Includes a statement of financial position (balance sheet) and a statement of financial activity (income and expense statement)

## 7. Support Materials

Include up to five (5) pieces of support material, referenced in your narrative, that will provide additional insight into your programs and services. Submit sixteen (16) identical collated sets of support materials, one for each copy of the application. Examples of support materials include, but are not limited to:

- a. Schedule of events or season brochure from the current year.
- b. Sample event brochures or program books.
- c. Print materials such as newspaper reviews, organization brochures, newsletters, press releases, advertisements, or flyers.
- d. CDs or DVDs.
- e. Samples of program evaluation tools.
- f. Long-range plan. Identify when the plan was written and the date of the last revision (required for those applicants who state in the narrative that their organization has a long-range plan).

## 8. Checklist

Include one copy of the Fiscal Year 2009 Arts Organization Grant Application Checklist, included with the original application form ([www.artsdel.org/grants/artsorggrants](http://www.artsdel.org/grants/artsorggrants)).

### **THIS CONCLUDES THE REQUIRED PORTION OF THE GENERAL OPERATING SUPPORT APPLICATION**

Organizations also interested in **Public Impact, Technical Assistance, or Arts Stabilization** grants should include required supplemental materials with their General Operating Support application package. Visit [www.artsdel.org/grants/artsorggrants](http://www.artsdel.org/grants/artsorggrants) for details about each of these additional grant opportunities.