

GENERAL OPERATING SUPPORT
Full Application - Information and Instructions
Fiscal Year 2012

The Delaware Division of the Arts awards General Operating Support grants to Delaware arts organizations in support of their annual operating expenses to ensure that year-round participation in the arts is available to the people of Delaware.

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.

New arts organizations must successfully complete the Division of the Arts ST-ARTUP program for emerging arts organizations before applying for General Operating Support or other arts organization grants. For details on ST-ARTUP, visit www.artsdel.org/grants/artsorggrants.

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. 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.

Application Cycle

All organizations applying for General Operating Support in the FY2012 application cycle will be considered for one-year funding only.

Note: [Organizations approved for the two-year cycle](http://www.artsdel.org/grants/artsorggrants) in Fiscal Year 2011 are required to submit an Interim Report with updated program and financial information for FY2012. Interim Report information and instructions can be found at www.artsdel.org/grants/artsorggrants. All other organizations will be required to submit the full application described in these guidelines.

Annual applications for Arts Stabilization and Education Resource grants are still required of organizations on a two-year General Operating Support cycle.

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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, the artist selection process, reviews, and/or 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/Service to the Community

- Fulfills an artistic need in the community, as demonstrated by public demand, public participation, or public impact
- 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 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

Grant Awards

Grant awards are derived from a formula and panel review process that encompasses the following: a satisfactory review of application materials and on-site evaluations, actual operating expenses/income as reported in the application and IRS materials, the number of organizations in the FY2012 applicant pool, and available state and federal funds. Prior funding does not guarantee future funding. The Division of the Arts retains the right to reduce or rescind a grant award if the grantee is found not to be in compliance with state and/or federal grant requirements.

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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 and cash prizes or donations
- 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

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 FY2012 grant cycle must be spent on programs and activities that occur during the Division's Fiscal Year 2012, which runs from September 1, 2011 through August 31, 2012.

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Application Deadline and Filing

The deadline for General Operating Support applications is **March 1, 2011**. The Fiscal Year 2012 Arts Organization Grant Application form is used for General Operating Support and Arts Stabilization grant applications and may be downloaded from the Division web site at www.artsdel.org/grants/artsorggrants in either Microsoft Word or PDF format.

To be accepted for processing and funding consideration, 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 an organization 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, with four (4) copies of the required financial reports
- Be **postmarked or hand-delivered** to the Division office no later than 4:30 p.m. on **March 1, 2011**. Facsimile (fax) or e-mail transmission of applications will not be accepted.

Notification of Grant Awards

The Delaware State Arts Council will make funding recommendations for Fiscal Year 2012 to the Division Director at the Council's June 2011 funding meeting. The recommended grant awards will apply to Fiscal Year 2012 only. Applicants will be notified of final funding decisions after July 1, 2011, following the Council meeting and passage of the state budget.

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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 2012 Arts Organization Grant Application form

Complete the Fiscal Year 2012 Arts Organization Grant Application form. Check the box marked "General Operating Support – Full Application" **and** then check the boxes marked "Arts Stabilization" and "Education Resource," if you are also applying in those categories. The application form can be downloaded from the web site at: www.artsdel.org/grants/artsorggrants.

2. Board List

Submit a list of your organization's current 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 (if applicable)

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

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

4. General Operating Support Narrative

Label your narrative as follows:

[Arts Organization Name] FY2012 General Operating Support Narrative

Required Narrative Length – dependent on the size of the organization *

- **3-page maximum** for organizations reporting operating expenses **=< \$50,000** for the last completed fiscal year
- **6-page maximum** for organizations reporting operating expenses **>\$50,000** for the last completed fiscal year

* Applications from the smaller organizations (reported expenses equal to or less than \$50,000) will be reviewed by a separate grant review panel.

All narratives **must**:

- have 1" margins
- use a Times New Roman or Arial 10-point font or larger
- be double-spaced
- be copied double-sided

Note: Narratives that do not comply with length and format requirements may not be accepted.

The narrative must include all of the following letter items, labeled with the italicized headers:

a. *Programs/Activities Description*

Provide a description of the programs and activities that your organization is currently undertaking during FY2011.

- b. *Artistic Quality*** – Address areas that best demonstrate the artistic quality of your organization and its programs. Qualifications of artists and artistic leadership, the artist selection process, use of interpretive or educational materials contributing to the understanding of an art form, innovation in the artistic product, process or service, and/or reviews and public response are examples of factors that may be considered in assessing artistic quality.

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- c. **Availability of the Arts/Service to the Community** – Address areas that best demonstrate how you serve your community and increase availability of the arts. Fulfillment of an artistic need in the community, efforts to sustain and build audiences, efforts to accommodate people with disabilities, and collaborations with arts and non-arts organizations to build community support and participation are examples of factors that may be considered in assessing availability of the arts and service to the community.
- d. **Management** – Address how you evaluate the success of your programs and engage in strategic planning. These factors, along with the expertise represented on your board and the information provided in your financial reports will be considered in assessing the capacity of your organization to successfully plan and carry out its programs.
- 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 coming year. This should include an increase or decrease in the amount of programming, staff, and actual or projected income/expenses of your organization, as well as any significant changes in the way you do business.

Organizations that received a separate letter from the Division Director advising them that their overall panel scores for FY2011 were unsatisfactory will receive further instructions about addressing panel concerns in this year's application.

5. Two-Year Operating Budget Report (1 original + 15 copies collated in the application package)
Label your response as follows: **[Arts Organization Name] Two-Year Operating Budget Report**

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

- Most recently completed fiscal year's **actual** operating expenses and income
- Current fiscal year's **budgeted** operating 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 as both in-kind income **and** expenses.

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

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6. Financial Reporting

- a. Attach **four (4) copies** of the appropriate financial reports for your organization based on its **budgetary size** (see below).
- b. **Requirements appropriate to budget size:**
Organizations with annual operating expenses **exceeding \$1 million** submit:
Four (4) copies of **your IRS 990** tax report **AND** four copies of an **annual certified audit**
- Organizations with annual operating expenses **between \$250,000 and \$1 million** submit:
Four (4) copies of **your IRS 990** tax report **AND** four copies of an **annual review statement or certified audit**
- Organizations with annual operating expenses **less than \$250,000** submit:
- Four (4) copies of **your IRS 990** tax report; and
 - Four (4) copies of one of the following: **treasurer's report** from your most recently completed fiscal year including income and expense statement + balance sheet (**or** annual review statement **or** certified audit).

Financial Report Definitions:

- **IRS 990, 990-EZ, or 990-N Tax Report**
 - Required by the IRS for nonprofit organizations
- **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)

- c. Include all four copies of financial reports with the original application packet.
- d. Financial reports must reflect your most recently completed fiscal year.
- e. **For organizations on a calendar year submitting reviews and audits only:** Reviews, audits and IRS 990s covering the period ending December 31, 2009 are acceptable, if 2010 reports are not yet complete.

7. Support Materials

Include up to four (4) pieces of support material, referenced in your narrative, which will provide additional insight into your programs and services. Submit sixteen (16) identical collated sets of support materials; attach one set to 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 with summary of data collected.
- f. Strategic 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 plan).

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8. Checklist

Include one copy of the Fiscal Year 2012 Arts Organization Grant Application Checklist, with the original application form (www.artsdel.org/grants/artsorggrants).

THIS CONCLUDES THE REQUIRED PORTION OF THE GENERAL OPERATING SUPPORT APPLICATION

Arts organizations applying for General Operating Support may also be eligible for **Arts Stabilization**, **Education Resource**, and **Accessibility** grants. Visit www.artsdel.org/grants/artsorggrants for details about each of these additional grant opportunities.

Organizations applying for **Arts Stabilization** grants should include the required supplemental materials with their General Operating Support Application package. **Education Resource** and **Accessibility** grants require a separate application form.