



Louisiana Decentralized Grants Compliance Handbook

Arts Council of New Orleans FY2009



THE LOUISIANA DECENTRALIZED ARTS FUNDING PROGRAM

The Arts Council of New Orleans provides funding to support arts and cultural activities in Orleans, Jefferson, and Plaquemines Parishes through the Louisiana Decentralized Arts Funding Program. Decentralized grants are made possible by state funding through the Louisiana Division of the Arts, under the Department of Culture, Recreation and Tourism. Decentralized funds are allocated to each parish in the state on a per capita basis using the most recent census figures, giving each parish the opportunity to develop arts programming in response to local needs. Local Redistributing Agencies such as the Arts Council of New Orleans administer the Decentralized grants program throughout the state.

Decentralized Grant Activity Period

October 1, 2008 – September 30, 2009

Types of Grants

- Operating Support
- Project Assistance
- Technical Assistance

Types of Grant Recipients

- Arts organizations & other nonprofit organizations
- Individual project directors using a nonprofit “fiscal agent” organization to receive grant funds
- Schools, universities, libraries, & municipalities

COMPLIANCE ISSUES

❖ Establish a File for the Grant & Maintain Records

Include:

- Original Application
- Grant Award Letter
- Grant Contract: Letter of Agreement, Revised Scope of Services, Revised Budget *
- Financial Documentation (provider & payment documentation)
- Program Data & Documentation (i.e. attendance figures, photos)
- Final Report Forms & Instructions*
- Current Credit Line and Logos*
- Legislator List*
- 2008/2009 Decentralized Guide to Grants*

* Available on Arts Council web site for download

All forms to be completed or materials to be read pertaining to your grant are available online at the Arts Council's web site, artscouncilofneworleans.org. Grant materials online include grant contract forms, final report forms and instructions, the grant credit line and logos, a list of current state legislators, and the Decentralized Compliance Handbook. These grant materials can be found by going to **Grants/Manage Your Grant**. The latest grant guidelines can be found at **Grants/Available Grants**. It's your responsibility as a grantee to download the forms and grant materials and file them for reference during the grant.

Please also **keep a file copy of all documents you send to us** such as your completed grant contract and final report!

❖ Grant Contract

The three parts of your grant contract are:

- Letter of Agreement
- Scope of Services Form
- Revised Budget Form

All three parts of the contract must be completed and returned to the Arts Council in order to activate your grant and initial payment. Please return both pages of the Letter of Agreement with an original signature on the second page. Please return the completed contracts as soon as possible so initial payments can be processed as early as possible. **FY2009 Decentralized grant contracts must ultimately be received by the Arts Council by 5:00 p.m. December 15, 2008.** After the contract deadline, grant awards with outstanding contracts will be reallocated.

Recipients awarded grants smaller than the grant amount requested may reduce the scale of grant activities as necessary and appropriate. Expenditure line items should be similar to those in the original application. Grantees are expected to comply with the terms of the Letter of Agreement and to carry out grant activities and expenditures as indicated on the approved Scope of Services and Revised Budget forms. Please feel free to contact grants staff if you need assistance with the grant contract.

❖ Grant Amendments

After submitting the grant contract, any further changes to grant activities, artists, or expenditures are to be requested in writing and approved by grants staff before they are implemented. Please call grants staff first to discuss any necessary amendments. Changes in activities or expenditures that have not been approved may not be accepted for final grant payment.

Planning & Administration

To help manage your grant successfully, ask yourself the following questions:

- Are grant-sponsored activities & expenditures happening within the allowable activity period? (October 1, 2008 - September 30, 2009)
- What costs will be covered with grant dollars - are they the same line items & amounts as approved in the Revised Budget of the grant contract?
- Do I have contracts with artists/service providers? (not required but a good idea and can stand in for invoices)
- Am I getting invoices or receipts from artists and other providers during the grant activities?
- Have I prepared promotional materials and press releases? Do they include the current grant credit line and logos?



This program is supported by a grant from the Louisiana Division of the Arts, Office of Cultural Development, Department of Culture, Recreation and Tourism, in cooperation with the Louisiana State Arts Council. The grant is administered through the Arts Council of New Orleans.



- Have I read the final report form & instructions before starting my grant activities so I know what data and financial documentation is needed?
- Do I have cash flow to cover the expenditure of 25% of the grant award that I will not receive until the final report is submitted and reviewed and the final payment is made?

Ask yourself the following questions (con't.):

- Have I notified Arts Council grants staff of any changes in grant management personnel or contact information? (New grant contact person, mailing address, phone number or email address). It's important that we have good contact information for you so information we send reaches you in a timely way!
- If artists, activities or expenditures need to change, have I contacted the Arts Council grants staff about amending the grant contract and submitted a written request to amend?
- Have I informed area legislators of my grant-funded activities and thanked them or invited them to attend?
- Have I notified grants staff in advance (at least a few weeks) of activities & provided tickets for them to attend the event?
- Have I figured out who will take photos to document the grant activities? (You need to submit a few photos with the final report.)
- Am I collecting the required data for the final report? (Read Final Report form and instructions before grant activities begin!)
- Am I collecting the required financial documentation?

Financial Documentation

Grantees must provide proof that grant funds were spent appropriately.

Option One:

For each grant expenditure, you need to obtain and submit with the final report:

1) **A provider document** (invoice, contract or receipt for service or purchase)

AND

2) **Payment documentation** (copy of cancelled check or bank statement showing cancelled check, credit card statement, or evidence of receipt for a cash payment).

Please refer to the **Final Report Instructions** and the **Expenditure Form Instructions** for directions on how to present and compile the financial documentation for the Final Report.

Documentation of payments to artists and other providers of service should include a cancelled check AND either a contract OR an invoice identifying the service provided, dates of service and rate or fee.

Grant recipients are encouraged to write checks for expenditures covered by grant funds (as opposed to making cash payments). If any cash payments are made to service providers, documentation should include an invoice/receipt which is signed and marked "paid in cash" by the service provider.

OR

Option Two:

Grantee **organizations may submit an audited financial statement** covering the period of grant activity in lieu of documentation described above. If the organization's audit is not available by the Final Report due date, a letter must be enclosed with the Final Report stating when the audit will be forwarded to the Arts Council of New Orleans.

❖ Grant Payment Schedule

- **Initial Payment:** 75% of grant award, mailed after receipt of grantee's contract
- **Final Payment:** 25% of grant award, mailed as a **reimbursement** after approval of Final Report*

*As a **grantee, you must spend the full amount of the ENTIRE GRANT AWARD by September 30, 2009**, and you must provide proof that 100% of the grant award was spent BEFORE receiving the final 25% payment. (For example, if your grant award is \$3,000, your initial payment will be \$2,250, but you need to spend the entire \$3,000 award by September 30, 2008 and document all grant award expenditures in your final report in order to receive the final \$750 payment).

Please note: Funds for final payments to grantees are not available until June 1, 2009.

❖ Expenditures Not Allowed with Grant Funds*

Some Examples:

- Food or Beverages for hospitality or entertainment functions
- Permanent Equipment (defined as costing \$1,000 or more per unit with an estimated useful life of more than one year)
- Capital improvements
- Activities not stated in Revised Scope of Services or in approved amendment
- Expenditures not identified in Revised Budget or in approved amendment

*Please see grant guidelines a complete list of expenditures not allowed with grant funds.

❖ Final Report

- All grants require a Final Report. Remember, before starting your grant activities, read the Final Report form and instructions so you know what data and documentation you need to collect during the grant.
- Required attachments vary for Project Assistance, Technical Assistance, & Operating Support grants. Please see the signature page of the Final Report form for the required attachments for your grant.
- Operating Support grants require a Final Report for each year of the two-year grant. The receipt and approval of the Final Report for the first year will renew the grant for the second year.
- Final Reports may be turned in when projects are completed and documentation is ready, but the earliest that final payments can be made for Decentralized grants is June 1, 2009.
- **The deadline for all FY2009 Decentralized Final Reports is Friday, October 30, 2009**, one month after the grant activity period ends.

Requested Information in the Final Report Includes:

- Description of grant activities (including dates, artists and locations)
- Constituents served (number & type of participants/audience; i.e. children, ethnic groups)
- Number and characteristics of artists employed
- Amount paid to artists
- Evaluation of success of project or activities
- Budget of grant expenditures & total project cost
- Promotion of activities & notification of elected officials
- Expenditure form & attached financial documentation of grant expenditures
- Photos (traditional photos on photographic paper or digital images on a labeled disk)

Please remember to **make a copy** for your file of the entire final report before sending it in!

❖ Fiscal Agents

A fiscal agent is a nonprofit organization with 501(c)(3) federal tax-exempt status that acts as a sponsor for a grant recipient lacking that status. In doing so, the fiscal agent organization assumes legal and fiscal responsibility for the grant.

Fiscal Agents Are Ultimately Responsible For:

- Receiving Grant Funds and Making Them Available to Grantee
- Proper Expenditure of Grant Funds & Performance of Grant Activities
- Reviewing (and Signing) Grant Contract & Final Report

Grantee/fiscal agent relationships vary. However, for all grants involving a fiscal agent organization, grant payments will be mailed to the fiscal agent and the checks will be made out to the fiscal agent. Grantees with a fiscal agent should work out an agreement with the fiscal agent, preferably in writing, regarding the disbursement of the grant funds to the grantee and the management of the grant funds. Please feel free to contact Arts Council grants staff for guidance. Organizations may not be paid more than \$150 of Decentralized grant funds to serve as a fiscal agent for a Decentralized grant.

❖ Noncompliance Penalties

If the Arts Council determines that a grantee has not complied with the terms and deadlines set forth in the grant award and grant guidelines, the grantee may be subject to a partial or total loss of grant funds. Should this happen, funds will be reallocated to other grantees. **Grant contracts for FY2009 grants must be received by the Arts Council by December 15, 2008.** After this date, grant awards with outstanding contracts will be reallocated. **Final Reports for FY2009 grants must be received by October 30, 2009.** Failure to meet the final report deadline will initially result in a 10% loss of the final payment, followed by additional penalty losses for subsequent deadlines missed. Failure to meet subsequent deadlines may result in loss of the final grant payment or the return of the initial payment. Grantees who are deemed to be in "noncompliance status" will be ineligible to receive new grants for the year following the noncompliance determination. Failure to comply with grant requirements (such as the completion of a Final Report) may also result in legal action and the grantee may become ineligible to receive future grants through the Arts Council's Decentralized grants program.