



Community Arts Grants Grant Compliance 2010

Arts Council of New Orleans



COMMUNITY ARTS GRANTS PROGRAM

Through the Community Arts Grants Program, the Arts Council of New Orleans provides critical support to arts and cultural organizations in Orleans Parish and support for arts projects that take place in Orleans Parish. Community Arts grants are made possible by funding from the City of New Orleans and are administered by the Arts Council of New Orleans.

Community Arts Grant Activity Period

January 1, 2010 – December 31, 2010

Types of Grants

- Operating Support
- Project 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

Grants Staff

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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 Form & Instructions*
- Current Credit Line and Logos*
- Elected City Officials List*
- 2010 Community Arts 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, credit lines and logos, a list of elected City officials, the grant guidelines for this grant, and this compliance handbook. These grant materials can be found by going to **Grants/Manage Your Grant**. It's your responsibility as a grantee to download the forms and grant materials, read them thoroughly, and file them for reference during the grant.

Please **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
- Revised Budget

All three parts of the contract (Letter of Agreement, Scope of Services, Revised Budget) must be completed and submitted in hard copy form to the Arts Council in order to activate your grant and initial payment. (If the Letter of Agreement form you download has two pages, please submit both pages - and remember to sign the form). Please turn in your contract as soon as possible so that the initial payment can be processed as early as possible. **FY2010 Community Arts grant contracts must be received by the Arts Council by March 31, 2010, 5:00 p.m. After this deadline, grant awards with outstanding contracts will be reallocated.**

Normally, Community Arts Project Assistance grants are awarded in full – they are the same amount as the allowable grant request (\$2,500). This year, due to City budget cuts, all Community Arts grants are being cut 10%. Since this is still close to the original award (especially in the case of projects), grant activities should not need to be scaled back appreciably or significantly changed from what was proposed in the grant application. If changes in grant expenditures, activities, or personnel are necessary, please contact a member of the grants staff to discuss them before completing the grant contract. Please feel free to contact the staff for assistance with *any* aspect of the grant contract. Once the contract is submitted, 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.

❖ Grant Amendments

Any further changes to the grant contract during the grant (grant activities, artist providers or expenditures) should be requested in writing (email is fine) 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.

❖ Grant Payment Schedule

- **Initial Payment:** 75% of grant award, mailed after receipt and approval of grantee's contract and the Arts Council's receipt of funds from the City of New Orleans
- **Final Payment:** 25% of grant award, grantee receives as a **reimbursement** after review and approval of Final Report

Please note that the Arts Council makes efforts to obtain City funds as early as possible in the grant year, however, funds are not necessarily received in a timely way. **Grantees with activities in the first part of 2010 may need to be prepared to cover project or program expenditures until grant funds become available.**

Grantees must spend the full amount of the ENTIRE GRANT AWARD by December 31, 2010, and provide proof that 100% of the grant award was spent BEFORE receiving the grant's final 25% payment. (For example, if your grant award is \$2,250, your initial payment will be \$1,687.50, but you need to spend the entire \$2,250 award by December 31, 2010 and document all grant award expenditures in your final report in order to receive the final \$562.50 payment).

❖ 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 for a complete list of expenditures not allowed with grant funds.**

❖ Planning & Administration

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

- Are grant-sponsored activities & expenditures happening within the allowable activity period? (January 1, 2010 – December 31, 2010)
- 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 for this grant?



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and administered by the Arts Council of New Orleans.



- Have I read the final report form & instructions before starting my grant activities so that I know what data and financial documentation I need to collect and report on?
- 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 grant contact information? (New grant contact person, mailing address, phone number or email address). It's important that we have good contact information for you (and your organization or fiscal agent) so that 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 have I submitted a written request to amend?
- Have I informed elected City officials 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.)

❖ Financial Documentation

Grantees must provide proof that grant funds were spent appropriately.

Option One:

For each grant expenditure, 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 read the Final Report Instructions and the Expenditure Form Instructions for directions on how to present and compile the financial documentation for the Final Report.

Like other grant expenditures, the documentation of payments to artists and other providers of service should include a cancelled check or evidence that the check cleared the bank AND either a contract OR an invoice identifying the service provided, dates of service and rate or fee.

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

OR

Option Two:

Organizations (usually Operating Support grantees) **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.

❖ Final Report

- All grants require a Final Report. Before starting your grant activities, please 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 and 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 the Arts Council can make final payments to grantees is June 1, 2010.
- **The deadline for FY2010 Community Arts Final Reports is January 31, 2011**, a month after the grant activity period ends. **This is not a postmark deadline – this is the deadline date that reports must be in the Arts Council’s office.** Late final reports will be subject to an initial 10% loss of the final payment and will be assessed additional penalty losses for subsequent deadlines that are not met. Please note: **Reports received by the Arts Council on or near the deadline must be complete with the required information and attachments or the grant will be subject to a 10% loss of the final payment.** Failure to meet final report deadlines will be noted in future grant review panels.

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 (must be 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 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 Community Arts grant funds to serve as a fiscal agent for a Community Arts 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. **Grant contracts for FY2010 grants must be received by the Arts Council by March 31, 2010**. After this date, grant awards with outstanding contracts will be reallocated. **Final Reports for FY2008 grants must be received by January 31, 2011**. 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 meet contract or final report deadlines will be noted during future grant review panels. 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 Community Arts Grants program.