

2022 Operating Support Guidelines

Operating Support Grants fund programming by cultural nonprofit organizations, increasing the variety of cultural experiences available to residents and visitors in Central Florida. This comprehensive grant program recognizes the high value of arts and culture for our region and the established institutions that provide cultural programming for the public year-round.

What's New This Year?

- New applicants (not a current Operating Support Grantee) must notify United Arts of their intent to apply by **July 15, 2021**. Pre-approval is required prior to the August 5, 2021 application deadline.
- There are no revenue/budget restrictions to apply for Operating Support.
- Panelists are not required to observe programs or conduct in-person site visits, which will be virtual.
- Applicants will not be categorized/labeled by budget size (Small, Mid-, Large) as done in the past; applicants may be reviewed in non-specific groups by a panel.

Calendar

- Application open: June 25, 2021
- Application process virtual workshops (one hour): June 29, Noon; July 1, Noon. More sessions may be added in coming months.
- Application deadline: **August 5, 2021**
- Staff reviews applications: August 6 - August 20 (please be on hand for any questions)
- Virtual panel site visits: September 1 - October 1 (applicants will be notified of assigned panelists in early August)
- Panel Meetings TBD – October 2021
- Executive Committee Approval: November 15, 2021
- Board Approval: December 9, 2021
- Organization award notification: December 10, 2021
- Funding period: January-December 2022
- Quarterly Reports Due: January 25 (25% funding), April 1 (25% funding), July 1 (25% funding), & October 3 (15% funding). Final Report Due: February 1, 2023 (10% funding)

ELIGIBILITY AND REQUIREMENTS

Organization Eligibility

New applicants must send three years of financial statements and a list of recent programming (three years) to Ivan@UnitedArts.cc before applying. To apply, the organization must meet **all** of the following requirements:

- Nonprofit 501(c)(3) status for a minimum of three years as of the grant deadline, in good standing with [State of FL Division of Corporations](#) & [the IRS](#). United Arts will verify current 501(c)(3) status.
- Completed three years of operations, providing cultural programming (defined as production, presentation or instruction of performing, visual, literary or media arts, the sciences, or history and heritage);
- Principal office located and programming (three years) provided in, in Lake, Orange, or Osceola counties;
- Arts/Cultural primary mission;
- Have received and successfully completed one or more other grants from United Arts prior to applying for Operating Support;

- Local governing board (may include members who reside outside Central Florida) that meets at least quarterly and operates under a set of bylaws;
- Provide equal access and opportunity in employment and services and may not discriminate based on race, color, ethnicity, religion, gender, ancestry, national origin, geography, age, varying abilities, pregnancy, sexual orientation, gender identity, marital status, familial status, citizenship status, or socioeconomic status.

Organizations that do not meet all criteria (or produce only one event per year) may be eligible for other United Arts programs.

Organizations are NOT eligible if they are:

- Other designated Local Arts Agencies;
- A public or private entity governed by a county, municipality, school district, community college, college, university, or an agency of state government;
- Media companies (TV/radio/print);
- Faith-based organizations;
- Fraternal or sports organizations;
- Political causes, candidates, organizations, or campaigns;
- Hospitals, health, and disease-specific organizations;
- Organizations that are a local arm of a state or national organization;
- Organizations that are adjuncts to for-profit organizations (“Friends of” organizations are eligible to apply only in lieu of the parent nonprofit organization); or
- Organizations that are primarily touring production presenters, with budgets over \$5 million.

In all cases, final eligibility decisions are made by United Arts staff. Each organization is limited to one Operating Support application per deadline. An organization may receive funding for more than one year, but a new application must be submitted each year. Approval of one year of funding carries with it no assurance of continued funding in subsequent years. Applicants must be in good standing with any prior grant reporting, if applicable.

Programming Eligibility

The proposed programming must be cultural (arts, sciences, or humanities), occur in Lake, Orange, or Osceola or counties, and open to the public. Examples include performances, exhibitions, festivals, arts education, and the commissioning of new works. In support of this programming, this grant funds both operating expenses (which could include overhead such as salaries, rent, technology, etc.) *and* programmatic expenses. Grant dollars *cannot* be used for any of the following activities:

- Capital expenditures (including acquisitions or equipment), or any building, renovation, or remodeling of facilities
- Deficit reduction, bad debts, contingencies, fines and penalties, interest payments, litigation costs, or any other comparable financial costs
- Contributions to cash reserves and/or endowment funds
- Lobbying or attempting to influence federal, state, or local legislation
- Awards, prizes, or scholarships for use outside the applicant’s programming
- Regranting, contributions, or donations

BEFORE YOU APPLY

REQUIRED DOCUMENTS NEEDED FOR THE APPLICATION:

Templates for Forms A, B and C are provided and can be accessed [here](#).

- Financial Form A

- Financial Form B
- Statistics Form C
- Full Year Financial Statements
 - Organizations with revenue up to \$299,999 – internally prepared financial statements will suffice (balance sheet and profit & loss statement)
 - Organizations with revenue averaging \$300,000 to \$499,999 – must provide compiled financials
 - Organizations with revenue averaging \$500,000 to \$899,999 – must provide reviewed financials
 - Organizations with revenue averaging above \$900,000 – audited financials required, plus management letter and response, if any
- Support materials

3-Year Revenue Average & Request Amounts

Operating Support grants are determined by the applicant’s 3-year revenue average, which is calculated using Financial Form A. This form would also inform the application request amount, which is 5% of the calculated 3-year revenue average. Please note, this requested amount is a projected number; final awarded amounts tend to be on average between 3% - 8% of the 3-year revenue average. United Arts will cap the applicant’s 3-year average revenue at \$5M.

EVALUATION AND DECISION PROCESS

Evaluation Criteria

Panelists will evaluate applicants based on the following criteria:

Artistic (or Historic/Scientific) Merit (43%)

- Artistic product perceived as high quality by the audience, industry professionals, and critical reviews
- Innovation and creativity in programming and artist selection
- Vision, creativity, professionalism, and leadership of artistic staff
- Programming appropriate to the mission of the applicant organization
- Exhibited diverse programming that is reflective of the community

Management & Fiscal Responsibility (36%)

- Effectiveness and efficiency of the organization
- Professionalism of administrative staff
- Effective board/staff interaction
- Evidence of a commitment to diversity in staffing, artist selection, and board recruitment
- Presentation of a clear and realistic budget
- Organizational stability
- Demonstrated evidence of strong or developing financial support from the community
- Existence and quality of strategic plan for the organization
- For large budget organizations, cash reserves and commitment to grow endowments

Outreach & Education (21%)

- Increased awareness, access, and inclusivity in the experience of art and creativity for diverse communities
- Programs marketed locally, regionally, nationally, and/or internationally
- Efforts to reach and educate new audiences
- Programs attract visitors as well as residents
- Activities have local, regional, national or international impact
- Accessibility efforts

Financial Review

Each panel is assigned a finance reviewer (Certified Public Accountant) who evaluates the financial statements of applicant organizations and will report findings to United Arts. The analysis includes the organization's current stability, future sustainability, and financial management (budget planning, recordkeeping). Key metrics:

- Cash Ratio = Cash Balances / Current Liabilities (red < 0.5; yellow < 0.7)
- Current Ratio = Current Assets / Current Liabilities (red < 0.8; yellow < 0.9)
- Unrestricted Net Assets to Debt = Unrestricted Net Assets / (Current Liabilities + Long Term Debt) (red < 1; yellow < 2)
- Days Cash on Hand = Cash Balances / Total Expenses (red < 30 days; yellow < 60 days)

The first three metrics calculate the organization's ability to repay its debt; the final one evaluates how long the organization could survive on its cash reserve.

Funding Decision Process

- **Questions/help:** Contact Ivan Quintero (contact Ivan@UnitedArts.cc) anytime up to two days before the application deadline.
- **Staff Review/due diligence:** Staff may contact applicants for additional materials (only the most critical information); please watch email closely in the month of August.
- **Panel Review:** Applications are reviewed by panelists starting early September.
- **Panel Site Visits:** Two panelists will be assigned to meet virtually with the applicant's staff/leadership from September to early October. Applicants will be provided with contact information to schedule the meeting. This is an opportunity for panelists to ask questions based on what was reviewed in the application; applicants may provide updates and discuss how their organization meets the evaluation criteria. The meeting should last no more than an hour.
- **Panel Meetings (closed to the public/applicants):** Each panel will discuss applications in a closed meeting; applicants will be notified of the date to stay near the phone in case of questions. Advisory members include the panel chair (UA board member; only votes to break a tie) and a finance reviewer who will offer financial review comments (CPA; non-voting). Scores are averaged, and written comments are formulated. Funding recommendations are determined by the panel scores, available funding, and % of operating revenue. If panelists have significant concerns, they may restrict a portion of funding or the entire grant for a particular purpose.
- **Board Approval:** Panel recommendations are approved by United Arts Executive Committee and Board of Directors.
- **Notification:** The applicant's CEO and Chair will receive their grant notification letter with panel comments via email in December.

IF AWARDED

Grant Payment Schedule

Grantees will sign an award agreement in December or January before receiving grant funds. The first 90% of funds will be paid quarterly (25% the first three quarters, and 15% the fourth quarter), contingent on quarterly reports; the final 10% will be contingent on the final report, due February 1.

Grantee Requirements (During the Grant Period)

- ❑ **Request Permission for Changes:** Significant programming or budget changes must be requested in advance; changes may or may not affect the grant award amount. Grant funds that are unused by December 31 must be returned to United Arts.
- ❑ **Notification:** Grantees must keep Rafael@UnitedArts.cc and Ivan@UnitedArts.cc on their email list, renew required insurance policies when they expire, and notify United Arts of any contact changes or changes in IRS tax-exempt status. United Arts will add grantees to its email list, including resources and opportunities.

- ❑ **Legal:** Grantees must comply with fair labor standards and a drug-free workplace; maintain a finance committee and independent audit committee of the board (per the Sarbanes-Oxley Act); and comply with PCI (see www.PCICompliance.org) and the US Patriot Act. Grantees must pay their obligations.
- ❑ **Insurance:** At the time of award acceptance, all grantees are required to provide a Certificate of Insurance, listing United Arts as certificate holder and proving current coverage for the funding period for the following types and limits of coverage, from an insurance carrier with a current Best's Rating of A-Class VIII:
 - Commercial General Liability, \$500,000. United Arts must be additional insured (usually listed in the notes field).
 - Commercial Auto Liability, \$500,000, Hired/Non-owned Auto (unless covered under Commercial General Liability policy)
 - Workers' Compensation, as required by law (if the applicant employs more than three paid staff)
 - Employee Dishonesty/Crime – for Large Budget organizations, \$50,000 or 25% of the grant award, whichever is greater; for Mid-size and Small Budget organizations, \$10,000 or 25% of the grant award, whichever is greater. For organizations with no employees, either the Commercial General Liability or Directors & Officers' policy must cover volunteer theft.
 - Directors & Officers' Insurance (required for Large Budget organizations only; recommended for all)
 Grantees must submit a new copy of the insurance certificate whenever one of the policies expires. Any organization that believes it cannot meet the coverage requirements may *request* a reduction or waiver, including an explanation of the need, signed by a board representative and accompanied by a quote in writing from a potential insurer. A request for reduction or waiver does not ensure acceptance.
- ❑ **Electronic payment:** Grantees must sign up for payment via ACH (electronic deposit), whereby funds will be directly deposited into the grantee's business account. This provides prompt delivery of grant funds by alleviating mail time, and bank holds.
- ❑ **Inclusion:** Grantees must provide equal access and opportunity in employment and services and may not discriminate based on race, color, ethnicity, religion, gender, ancestry, national origin, geography, age, varying abilities, pregnancy, sexual orientation, gender identity, marital status, familial status, citizenship status, or socioeconomic status. United Arts expects that the make-up of the staff, board, audience, volunteers, artists, scientists, historians, etc., involved with grantee organizations be inclusive of the diversity of the community and compatible with the organization's mission.
- ❑ **Acknowledgement:** Grantees must acknowledge the grant in all publicity and materials (whether printed, online, verbal, or other), with the United Arts logo and the statement "(Name of Grantee Organization) is funded in part by United Arts of Central Florida, home of OrlandoAtPlay.com and UAArtsEd.com." United Arts may publicize the grant using quotes and photos from applications and reports. Organizations based in or providing the majority of programming in the City of Orlando and/or Orange County will also be required to include those logos.
- ❑ **AEP Survey:** Grantees must participate in the Americans for the Arts' "Arts and Economic Prosperity" Impact Survey (occurs every five years) to maintain eligibility for grants.
- ❑ **Financial statements:** Grantee's board of directors must review year-to-date financial statements at least quarterly. For full-year financial statements, requirements are as follows, based on three-year average revenue:
 - Organizations with revenue up to \$299,999 – internally prepared financial statements will suffice
 - Organizations with revenue averaging \$300,000 to \$499,999 – must provide compiled financials
 - Organizations with revenue averaging \$500,000 to \$899,999 – must provide reviewed financials
 - Organizations with revenue averaging above \$900,000 – audited financials required, plus management letter and response, if any
 Full-year financial statements according to these requirements must be provided to United Arts no later than six months after the end of the fiscal year (two months for internally prepared statements).
- ❑ **Recordkeeping:** Grantees must keep information (including description and photos of the funded programming, press or publicity about the programming, including use of logos or acknowledgement statement, and financial

records) for the final report. Also, keep records about the grant activities and financials for at least five years after the grant period is completed; such records must be available for audit by United Arts representatives.

- **Final Report:** An online form will be provided with the award agreement. A brief narrative, financial/statistics/insurance updates, proof of acknowledgement, and four photos will be required. This report will be due by February 1 to receive the final 10% of funds and maintain eligibility for future funding.

OTHER NOTES

- Leave extra time in case of questions or computer trouble. Missing documents or fields will prevent the submission of the application. *Contact and programming information for all grantees will be made available to the press, and United Arts may use quotes or pictures from applications or reports in publicity.*
- Contact for questions or tech support: ivan@UnitedArts.cc