

THE KRESGE FOUNDATION

Detroit Arts Support Grant Opportunity Guide

**The Kresge Foundation
Troy, Michigan
2014**

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Introduction

Our Detroit Arts Support program awards operating support to arts and culture organizations in recognition of the vital role they play in the community.

Since 2007, we have provided more than \$15 million in operating support to 80 organizations of all sizes and artistic disciplines in Macomb, Oakland and Wayne counties.

This grant opportunity is being offered again in 2014 to provide two-year (24-month) grants to arts and culture organizations that:

- Increase opportunities for cultural and artistic participation and expression for people of all backgrounds in the metropolitan Detroit area.
- Contribute to the quality of life and cultural vitality of the region.
- Engage and support regional artists.
- Build on and strengthen our current arts and cultural assets and infrastructure.

Prospective applicants

Detroit Arts Support is for nonprofit organizations located in Wayne, Oakland and Macomb Counties whose missions are devoted to arts and culture. The program supports three tiers of organizations, based on annual operating expense budget size:

Tier I – Organizations with annual operating expense budgets of \$3 million or more. Grants to Tier I organizations will range from \$40,000 to \$100,000 annually, up to 10 percent of annual operating budget.

Tier II – Organizations with annual operating expense budgets between \$300,000 and \$2,999,999. Grants in the Tier II category will range from \$10,000 to \$50,000 annually, up to 10 percent of annual operating budget.

Tier III – Organizations with annual operating expense budgets of less than \$300,000. Grant awards in the Tier III category will range from \$5,000 to \$15,000 annually, up to 10 percent of annual operating budget.

Kresge is committed to reaching organizations of all sizes. As part of the 2014 opportunity, grant-review panels will be organized to assess all applications and make recommendations to Kresge. Kresge will make final funding decisions. Grants will be awarded on a competitive basis within each Tier group.

In cases where an organization's annual operating expense budget is reasonably close to two different Tier categories, Kresge will average the last three years' budget expense figures to

confirm placement in the appropriate Tier.

Purpose and activities funded

Detroit Arts Support grants are intended to provide flexible support for nonprofit organizations devoted to arts and culture. It is expected that grants will be used to help organizations implement their core programs and services.

How may funding be used?

Funding may be used for general operating expenses, such as:

- Salaries, wages, artists' fees, artist residencies, consultant fees.
- Supplies.
- Overhead.
- Production costs.
- Program development.
- Programming costs.
- Administrative costs.
- Marketing brochures and other printed or video materials.
- Planning.
- Development costs, excluding special events.

Funding may not be used for:

- Fundraising events.
- Capital expenditures.
- Endowments.
- Political activity.
- Prior-year(s) deficits.
- Degree-granting programs.
- Payments to students.
- Cash prizes and awards.
- Programs and activities without a clear cultural focus.

Eligibility

The Detroit Arts Support grant opportunity is open to:

- **Performing arts organizations** that primarily produce and/or present arts and cultural experiences for their communities, such as theater companies, venues, dance groups, opera companies, and symphony orchestras and performance venues.
- **Visual arts organizations** that primarily encourage the creation and /or presentation of visual art forms, and support artists and the visual arts and media arts, such as art galleries, visual arts programs and exhibitions.
- **Literary arts organizations** that primarily encourage participation in and/or provide opportunities in creative literary expression and presentation.
- **Collecting organizations** that primarily offer activities and programs involving physical collections and exhibits that are open to the public and explore the relationships between cultural understanding and creative expression, such as museums and zoos.
- **Film, video and public broadcasting organizations** that focus a large part of their programming on arts and culture, fostering creativity for their audiences, and that provide opportunities for other cultural organizations to reach the broader public.
- **Arts service organizations** that primarily provide opportunities for artists and/or support and training for other arts and cultural organizations, such as management service organizations, advocacy organizations and arts councils.
- **Arts education organizations** that primarily concentrate on arts education for students outside the K-12 classroom, such as after-school theater and dance organizations and student visual arts activities.

Eligibility is limited to organizations:

- Incorporated in the state of Michigan, located in and serving the city of Detroit, Wayne, Oakland or Macomb counties.
- Whose main mission is clearly connected to arts, culture and creativity.
- With a record of presenting programs to the public for at least two years.
- With the equivalent of at least one full-time person on staff. (Instructions for calculating full-time equivalents are in the Appendix section.)
- That have an IRS 501(c)(3) designation or operate under a public college/university or government entity.
- That can provide an independently prepared audit or – for organizations with annual budgets of \$250,000 or less – a qualified review of the most recently completed fiscal year.

- Organizations that are a subsidiary or division of a larger 501(c)(3) organization and can demonstrate an independent identity and governance structure.

The grant opportunity is not available to:

- Elementary and secondary schools.
- Religious organizations.
- For-profit organizations.
- Individuals.
- College, community college or university programs primarily focused on degree-granting.

Our review process

An external grants review panel comprised of local, regional and national arts and cultural professionals will consider applications in light of the general review criteria and make recommendations to Kresge Detroit Program staff for final decisions. Detroit Arts Support decisions are independent from those of other Kresge programs and will neither affect nor be affected by decisions of other programs. Art support grants will be awarded on a competitive basis within each Tier.

Kresge's Detroit Program will make final decisions on grant awards and disburse initial payments in the fall of 2014. Of particular note to 2012 Detroit Arts Support grant recipients, grant awards through the 2014 program may be applied retroactively to align with the end of your current grant term with the foundation. In other words, Kresge will help you deal with the gap between the grants.

General review criteria

Decisions will be based on applicant responses to the general review criteria as informed by grant review panel recommendations. Organizations are not necessarily expected to excel on all of the points listed below, but each organization should make a strong case for as many criteria as possible in the context of the organization's mission, goals and objectives.

General review criteria to be addressed in the grant application narrative include:

- The organization's contribution to metropolitan Detroit's identity and the cultural and economic vitality of the region. We have a preference for organizations with a broad reach and impact within the region.
- High quality artistic achievement and strength of programming.

- Support for local artists and creators of cultural products, including training programs, opportunities for display or sale of works of art, and hiring artists and creative professionals to develop or present programs.
- Strong community outreach to broaden audiences and increase access to arts experiences.
- Commitment to cross cultural understanding and diversity through programming, board, staff and audience development.
- Participation in effective partnerships and collaborations with cultural and other organizations that seek to advance broader community and economic development efforts.
- Support for arts and culture education, and youth development.
- Evidence the operating support will help the organization achieve its long-term goals.

The review committee will also seek to understand and assess the financial position of applicants.

The application

The application must be made through a Kresge data-entry system that employs forms, drop-down menus and similar interface functions to collect basic information. Please note that if you cut and paste information from other documents, all formatting (i.e. underline, bold, special characters) will be lost. A number of documents, detailed below, will need to be prepared in advance for upload. A PDF is the preferred format, although Microsoft Word (DOC, DOCX) and Microsoft Excel (XLS, XLSX) are also acceptable.

Applications from Tier I organizations are due Monday, May 19, by 11:59 p.m.

(Update: This has been extended from a previously posted deadline.)

Applications from Tier II and Tier III organizations are due Monday, June 2, by 5 p.m.

Applications received after the relevant deadline will not be considered for funding.

You can reach the data-entry system by following links from the Detroit Arts and Culture page (kresge.org/programs/detroit/detroit-arts-and-culture).

Required documents for all applicants

1. Narrative – Written to address the 10 points below:

- A. Provide a concise overview of your organization, including your mission and designated goals and objectives.
- B. Describe your programs, services and activities, and how they fulfill your organizational goals and objectives.

- C. Describe your organization's contribution to metropolitan Detroit's identity and the cultural and economic vitality of the region.
- D. Describe the role of your organization in advancing or connecting to larger community and economic development efforts and/or revitalization plans that impact the neighborhood(s) you serve.
- E. Describe your artistic merit and the strength of your programming. What external and/or objective evaluations support your self-assessment?
- F. Describe your support of local artists and creators of cultural product. This includes the number employed (part time, fulltime and contract) and the number involved in training programs or other career development activities.
- G. Describe your audience and your efforts to expand that audience, encourage participation, and broaden access to arts and culture in your community and regionally.
- H. Discuss your organization's efforts to be inclusive, including the diversity of board, staff, audiences and clients.
- I. Describe how the general operating support sought will help the organization achieve its long-term goals.
- J. Discuss the operating budgets provided and address the major drivers of the organization's budget, budget trends over the last three years, and any significant challenges and the actions to meet them.

Note: Organizations with annual operating budgets of \$1 million or more must also include in the narrative a brief description of strategic direction, business drivers and overall capitalization strategy. Address your approach to operating funds (for example, ratio of earnings and contributions to total budget), working capital, operating reserves, building reserves and endowment. In addition, please outline your future goals for each of these funds, explain how these goals were determined and describe the plan and timeline for reaching these goals. For definitions and more information, please see [Capitalization Philosophy and Terms](#) and [Guide to Building Reserves](#). These documents are available in the [Kresge library](#). You'll also find links within the online-application system.

We anticipate Tier I organizations to be able to sufficiently address the above points within 8 to 12 pages. For Tier II and III organizations, we expect these points to be addressed in 5 to 8 pages.

First-time applicants to Detroit Arts Support must also include in their narrative the number of full time equivalent (FTE) staff working for the organization. Information on how to calculate that number is available in the Appendix section of this document.

2. Letter of Request – On applicant's letterhead, signed by an individual (typically the chief executive officer) authorized to enter into contracts on behalf of the organization.

3. Financial Statements – A copy of your audit or qualified review from the most recently completed fiscal year. If it is not available at the time of application, grant awards may be conditioned on its receipt.

- Organizations with annual operating expense budgets of more than \$250,000 must have an independently prepared audit of the most recently completed fiscal year. The audit must follow

Generally Accepted Accounting Principles or Government Audit Standards. If the audit of the most recently completed fiscal year is not yet available, please send the most recently completed audit, which must not be more than two years old (i.e., FY2012 or newer).

- Organizations with annual operating expense budgets of \$250,000 or less must have a qualified review of the most recently completed fiscal year, although an audit is preferred and strongly encouraged. If the review of the most recently completed fiscal year is not yet available, please send the most recently completed review, which may not be more than two years old (i.e., FY2012 or newer).

4. Organizational budgets – The organization's operational budget-to-actual for the two prior fiscal years, the current fiscal year budget, and a projection for the next fiscal year. Subsidiary organizations should submit a budget as if you were an independent entity, including overhead expenses.

5. Demographic data sheet – Available in the [Kresge library](#) online. You'll also find links to the data sheet within the online-application system.

6. Board member list – Current board members, with officers noted, and all members' professional affiliations. Please identify any community representatives as “volunteer” or “community member.”

7. Grant Request Personnel – The names and qualifications of the key individuals who will lead and manage the work described in this request. For each individual, please describe the expertise and experience he or she brings to the work.

Special requirements

We require additional documentation from applicants based on their organizational size and prior Detroit Arts Support grantee status. Please review the list below to ensure you provide all the requested material.

Required documents for all 2012 Detroit Arts Support grantees

All applicants who have previously received funding as part of the 2012 Detroit Arts Support programs *must* upload these.

1. The Kresge Foundation Funder Report from the Michigan Cultural Data Project (CDP) that aligns with the most recently completed audit or qualified financial review submitted with the application. Kresge prefers funder reports that are certified as “review complete” by CDP. Under certain circumstances, we will accept funder report's certified as “submitted.” Although required for previous grantees, it is highly encouraged for all grant-seekers. For more information, visit the [Michigan CDP](#) website (miculturaldata.org).
2. Final Report – A brief, 2- to 3-page description of the organization's activities during the previous granting period. Include any significant accomplishments or operating challenges experienced.

This document will fulfill the final reporting requirements noted in your 2012 Detroit Arts Support grant agreement.

Required documents for organizations that are a subsidiary or component of a larger organization:

Details on these can be found in Appendix 2.

1. **Statement of relationship narrative** – Between your organization and your parent organization.
2. **Statement of fiscal relationship narrative** – Between your organization and your parent organization.
3. **Letter of endorsement** – A letter of endorsement and continuing support from the CEO, president or authorized official of the parent organization.

Reporting requirements

All grants will be considered for up to a 24-month period, covering the programs and activities outlined in the grant application. The Kresge Foundation reserves the right to review any grant decision for the second year, dependent on the organization's performance and plans.

Grant reports for each year will be due **30 days** after the completion of the grant year. Please note: Should Kresge elect to re-open the Detroit Arts Support program in 2016, we may require the final report earlier as to align with the timing of the application.

Grant reports must discuss how these funds helped the organization implement its services. It also will inform us of any changes or adjustments in planning and programming for the upcoming year.

Organizations with annual operating expense budgets greater than \$250,000 must submit their most recently completed audit along with the grant report. Organizations with annual operating expense budgets of \$250,000 or less must submit at least one qualified financial review by the end of the grant period. This review may not be older than FY2013.

Organizations are also required to enter their updated organizational and financial data into the Michigan Cultural Data Project (miculturaldata.org) prior to submitting their first-year report. A MICDP Help Desk is available at 877-642-3701.

Questions

Please contact our Grants Inquiry Coordinator by [email](#) or call 248-643-9630.

Appendix 1

Instructions for calculating full-time equivalent staff (FTE)

To calculate the FTE for your organization:

1. List every paid staff member. Contract staff may be counted if they act for the organization in a staff role on an ongoing, multiyear basis: for example, a part-time director, curator, or artistic director; a paid docent giving tours to school groups throughout each year; a person who coordinates public relations and marketing for the organization and its programs throughout the year, or an accountant. Individuals whose employment is related only to a specific project or short-term contract should not be counted.
2. For each person, estimate the total number of hours worked in a year. Then add the total for the entire group.
3. Divide the total by 2,080. That's the number of hours in a year for a full-time employee working 40 hours per week. For example, 3,120 hours is 1.5 FTE, or the equivalent of one full-time and one half-time staff member.
4. Report the FTE number as part of your grant narrative.

Appendix 2

For organizations that are a subsidiary of a larger organization

The Detroit Arts Support program is intended to assist organizations whose primary mission is arts and culture.

It is not intended to provide funding for arts programs that are produced by an organization whose mission is another purpose, such as social services or education.

If your organization is a subsidiary of a larger entity (such as a university or municipality), your application must include three additional components: two narratives that address the following points, and an endorsement letter.

Statement of relationship narrative

1. Demonstrate that the primary purpose of your organization (the subsidiary) is to present, produce, preserve or otherwise provide arts and culture to the general public. Evidence includes a formally adopted mission statement or a strategic plan.
2. Demonstrate that your organization has a separate identity from the parent organization, as evidenced by brochures, publicity and general public recognition.
3. Explain how your organization acts as an independent entity, operating under the umbrella of the parent organization. Examples include staff dedicated solely to the arts and culture mission and an annual budget under the control or administered by those staff.
4. Specify how your organization is governed: Does your organization have a separate board or advisory board? If so, what is the extent of its authority?

Statement of fiscal relationship narrative

1. Identify specifically where your operations are accounted for and reported in your parent organization's financial statements.
2. Indicate how the "stand-alone" financial statements provided in the grant application were derived. Is this a budget approved by a governing authority, or is this a restatement of relevant costs that have been extracted from the budget of the parent entity, such as a university or government department?
3. Indicate the financial relationship between the applicant organization and your parent organization. Specifically:
 - A. How are overhead and administrative costs handled? Does the parent organization assess an administrative fee, or charge for human resources, legal, rent, debt

- repayment or other such costs? If so what amounts? What percentage of the grant will go to the larger entity for such costs?
- B. Does the parent organization provide support that does not appear in the applicant organization's budget, such as services or staff for building operations or grounds maintenance, or legal, human resources or information technology services?
 - C. Specify what revenue, if any, is restricted to or specifically generated for the applicant organization, and the amount of any general subsidy for operating provided by the parent organization. At the end of the fiscal year, how does the parent organization handle deficits and surpluses in the applicant organization's budget?
 - D. For government organizations, is there private source of funding to supplement the budget or programs, such as a Friends group or other private support organization? If so, what is the relationship of that organization to the applicant organization? Provide a statement of the financial support from the supporting organization.

Letter of endorsement: Provide a letter of endorsement and continuing support from the CEO, president or authorized official of the parent organization.

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