

THE KRESGE FOUNDATION

# Detroit Arts Support Grant Opportunity

**The Kresge Foundation  
Troy, Michigan  
2012**

## Contents

Introduction .....	2
Purpose and activities funded .....	3
Eligibility .....	4
Review process .....	5
The application .....	6
Reporting requirements .....	10
Appendixes	
1 Instructions for calculating full-time equivalent staff.....	11
2 Organizations that are a subsidiary of a larger organization .....	12

## **Detroit Arts Support**

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 \$11.1 million in operating support to 74 organizations in Macomb, Oakland, and Wayne counties.

## **2012 grant opportunity**

This grant opportunity is being offered again in 2012 to provide two-year 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 for the region.
- Engage and support regional artists.
- Build on and strengthen our current arts and cultural assets and infrastructure.

## **Prospective applicants**

Arts and cultural organizations with annual operating budget less than \$3 million may apply for two-year grants to support their core programs and services.

- Grants of \$5,000 to \$15,000 a year will be awarded to organizations with annual budgets of less than \$300,000.
- Grants of \$10,000 to \$50,000 a year will be awarded to organizations with annual budgets between \$300,000 and \$2,999,999.

There is a separate process for larger arts and cultural organizations.

In cases where an organization's annual operating expense budget is reasonably close to two different groups, we will average the last three years' budget expense figures to confirm appropriate placement.

Grants will not exceed 10 percent of an organization's annual operating budget.

2012 grants will be considered for up to a two-year period, 2012-2013, covering the activities outlined in the grant application.

## **Purpose**

Arts Support grants are intended to provide flexible support non-profit organizations devoted to arts and culture. It is expected that grants will be used to assist organizations in implementing 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.
- Programmatic 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 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, cultural performance venues, dance groups, opera companies and symphony orchestras.
- **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 artist 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 which 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 which 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 Detroit, Wayne, Oakland or Macomb counties.
- With a main mission clearly connected to arts, culture and creativity as the primary purpose of the organization.
- 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 area available in the Appendix section.)
- That have 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 organization that 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**

Peer review panels will review applications and make recommendations. We will make final funding decisions. Grants will be awarded on a competitive basis within each group.

Applications and grant awards in this program are independent from other Kresge programs and will not affect any other grant decisions.

**General Review Criteria**

Decisions will be made within a competitive review process based on strength of programming. Organizations are not expected to meet all of the General Review Criteria below, but should make a strong case for as many criteria as possible.

General Criteria to be addressed in the grant application narrative include:

- The organization's contribution to Metropolitan Detroit's identity and the cultural vitality and growth 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/or creators of culture, including training programs, opportunities for display or sale of works or 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 other cultural and non-cultural organizations.
- 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**

Our online application begins with a data-entry system that employs forms, drop-down menus and similar interfaces.

After providing basic information about your organization, applicants are asked to prepare a narrative describing their grant requests. Applicants must create their own documents and submit the narrative as an attachment.

In addition, applicants are asked to upload several other documents.

Information about those documents and points to address in the narrative follow. This information is also included in the online application environment.

### **Your narrative should be five to eight pages and address these points:**

1. Provide a concise overview of your organization, including your mission and designated goals and objectives. First-time applicants to Detroit Arts Support must also include in their narrative the number of full time equivalent staff working for the organization. (Information about calculating that number is available in the Appendix at the end of this document.)
2. Provide information about your programs, services, activities and how they fulfill your organizational goals and objectives.
3. Describe your organization's contribution to Metropolitan Detroit's identity and the cultural vitality and growth of the region.
4. 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.
5. Describe your artistic merit and your support of local artists/creators of culture, as well as the number of individual artists / creators of culture employed (include part time, full time, contract).
6. Describe the individuals you serve and your efforts to expand your audiences, encourage participation, and broaden access to arts and culture in your community.

7. Discuss your organization's efforts to be inclusive and to have a diverse board, staff, and audience/client profile.
8. Describe how the general operating support will help the organization achieve its long-term goals.
9. 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.

**Organizations with annual operating budgets of more than \$1 million must also:**

Describe your organization's strategic direction, business drivers and overall capitalization strategy, addressing: your approach to operating funds (for example, ratio of earned and contributed 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](#). You'll also find links within the online-application system.

**Required attachments**

In addition to the narrative, you'll also be asked up upload:

- **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.
  - **Financial Statements** – A copy of your audit or qualified review from the most recently completed fiscal year.
1. Organizations with annual operating expense budgets larger than \$250,000 must have 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., FY2010 or newer).



Grant awards will be conditional on the receipt of the audit from the most recently completed fiscal year, when available.

2. 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., FY2010 or newer).
- **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 subsequent fiscal year. Subsidiary organizations should submit a budget as if you were an independent entity, including overhead expenses.
  - **Demographic Data Sheet** – Available [here](#). You'll also find a link within the online-application system.
  - **Board Member List** – Current board members, with officers noted, and all members' professional affiliations. Please identify any community representatives as “volunteer” or “community member.”
  - **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.

## Other attachments

This documentation is required of applicants of different sizes and statuses. Please review the list to ensure you provide all the requested material.

**Organizations with operating budgets equal to or greater than \$1 million**, must also upload:

- Unrestricted Net Assets Worksheet. Available [here](#). If you need assistance with this worksheet, please refer to this [guide](#). You'll also find links within the online-application system.

**Organizations with operating budgets between \$300,000 and \$2,999,999**, must also upload:

- Strategic Plan – A copy of your most recent organizational strategic plan or executive summary.

**Prior Detroit Arts Support grantees must upload:**

- A copy of The Kresge Foundation Funder Report from the Michigan Cultural Data Project that aligns with the most recently completed audit or review submitted with the application. We prefer funder reports that are certified as “Review Complete.” Applicants unable to submit a report certified as “Review Complete” by the application deadline due to time constraints, should contact our Grants Inquiry Coordinator. For more information, visit the MICDP website [www.miculturaldata.org](http://www.miculturaldata.org).
- **Final Report** – A description of the organization's activities during the previous granting period and identify any significant accomplishments or operating challenges experienced.

**Organizations that are a subsidiary or component of a larger organization\* must upload:**

- **Statement of Relationship** – Between your organization and your parent organization.
- **Statement of the Fiscal Relationship** – Between your organization and your parent organization.
- **Letter of Endorsement** – A letter of endorsement and continuing support from the CEO, president or authorized official of the parent organization

\*(See Appendix 2 for details.)

**Please note:**

Organizations that have not previously received funding from Detroit Arts Support are encouraged, but not required, to submit a copy of The Kresge Foundation Funder Report from the Michigan Cultural Data Project.

New grantees to the 2012 Detroit Arts Support program will be required to enter their organizational and financial data prior to submitting their first-year report.

## Reporting Requirements

All grants will be considered for up to a two-year period, 2012-2013, covering the programs and activities outlined in the grant application. Grant reports for each year will be due **30 days** after the completion of the grant year.

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

We require the submission of annual audits for grantees in this program that have expense budgets greater than \$250,000.

At the end of each year of the grant period, grantees must submit their most recently completed audit along with the grant report. Organizations with expense budgets of less than \$250,000 will be required to submit one review at the end of the grant period. This review may not be older than FY2011.

Organizations are also required to enter their updated organizational and financial data into the Michigan Cultural Data Project by the time of the first year report.

MICDP provides the cultural community with consistent, reliable, comprehensive data on arts and culture in Michigan, and enables organizations to view trends in their data, benchmark themselves against peer organizations, and enhance their financial management capacity.

For more information, visit the MICDP website [miculturaldata.org](http://miculturaldata.org). A MICDP Help Desk is available at 877-642-3701.

The Kresge Foundation reserves the right to review any grant decision for the second year, dependent on the organization's performance and plans.

## **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, multi-year 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 only related 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.

#### A. ORGANIZATIONAL IDENTITY AND GOVERNANCE

- 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 mission statement that has been formally adopted or a strategic plan.
- Demonstrate that your organization has a separate identity from the parent organization, as evidenced by brochures, publicity, and general public recognition.
- 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.
- Specify how your organization is governed: Does your organization have a separate board or advisory board, and if so, what is the extent of its authority?

#### B. FINANCIAL RELATIONSHIP WITH PARENT ORGANIZATION

- Identify specifically where your operations are accounted for and reported in your parent organization's financial statements.
- 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 re-statement of relevant costs that have been extracted from the budget of the parent entity, such as a university or government department?

- Indicate the financial relationship between the applicant organization and your parent organization. Specifically:
  - 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?
  - Does the parent organization provide support that does not appear in the applicant organization's budget, such as providing services for or staff for building operations costs, grounds maintenance, or for legal, human-resources or information-technology services?
  - Specify what revenue, if any, is restricted for or specifically generated for the applicant organization, and the amount of 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?
  - 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.

### C. 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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