

THE KRESGE FOUNDATION

Detroit Arts Support Grant Opportunity

**The Kresge Foundation
Troy, Michigan
2016**

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Introduction

For nearly 10 years, our Detroit Arts Support initiative has awarded 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 \$19 million in operating support to more than 80 organizations of all sizes and artistic disciplines in Macomb, Oakland and Wayne counties that:

- Advance opportunities for creative 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.

We believe, now more than ever, that arts and cultural activity plays an important role in advancing the social, cultural, economic and physical identity and revitalization of our community. We've seen it in action.

Structure of grant support

Through this initiative, the Detroit Program will award three-year general operating support grants between \$5,000 and \$75,000 annually. Awards will not exceed 10 percent of an organization's annual budget.

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 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.
- 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, dance groups, opera companies, symphony orchestras, and performance and other 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 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.
- **Community-based arts and culture organizations** that work with neighborhood residents and often in partnerships to connect art to other sectors such as community development or social justice.
- **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.
- With a main mission clearly connected to arts, culture and creativity. Organizations that are a subsidiary or division of a larger 501(c)(3) organization must demonstrate an independent identity and governance structure. (See Appendix 2 for more information about subsidiary organizations.)
- 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 IRS 501(c)(3) designation or operate under a public college/university or government entity.
- That can provide an independently prepared audit from their most recently completed fiscal year but no older than fiscal year 2014. Organizations with annual budgets of less than \$250,000 must provide a qualified review or IRS Form 990 for the most recently completed fiscal year but no older than fiscal year 2014.

The grant opportunity is not available to:

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

Review process

Art support grants will be awarded on a competitive basis. A review panel comprised of experts in the arts and cultural sector, community stakeholders, and Kresge staff will consider applications against the general review criteria listed below. We will also seek to understand and assess the financial position of applicants as part of the review process. The review panel will then 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.

Kresge's Detroit Program will make final decisions on grant awards and disburse all initial payments by fall 2016.



Partnership with the Fred A. And Barbara M. Erb Family Foundation

Since 2010, the Kresge Foundation has partnered with the Erb Family Foundation on a shared application and review process for our respective general operating support programs for arts and cultural organizations – Detroit Arts Support and the Erb Family Foundation’s Anchor Cultural & Arts Organizations program. The Kresge and Erb Family Foundations make independent funding decisions.

Organizations based in the City of Detroit that apply to Detroit Arts Support will be considered for support by Erb Family Foundation staff.

Kresge’s Detroit Program and the Erb Family Foundation have collectively invested over \$21,300,000 million in general operating support through our shared process.

For more information on the Erb Family Foundation, please visit erbff.org. For additional information contact Jodee Raines at mjraines@erbff.org.

General review criteria

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

As part of the 2016 Detroit Arts Support initiative, Kresge’s Detroit Program will place special emphasis on diversity and equity. A competitive application will clearly present an organization’s commitments to:

- Advancing opportunities for creative expression among low-income individuals and people of color.
- Broadening participation and access to arts and culture in the community, including the promotion of cross-cultural understanding and diversity through programming.
- Exemplifying a commitment to organizational diversity among its board and staff leadership reflective of the community and population served.

Additionally, strong applications will show an organization’s:

- Contribution to the cultural identity and economic vitality of metropolitan Detroit.
- Evidence of high-quality artistic achievement and strength of programming.
- Commitment to youth development, including arts and culture education.

- Support for local artists and creators of cultural product, including training programs, opportunities for display or sale of works of art, and hiring artists and creative professionals to develop or present programs.
- Participation in effective partnerships and collaborations with other cultural or non-cultural organizations to advance broader community development efforts.
- Evidence the operating support will help the organization achieve its long-term goals.

The Application

Overview of process

We invite interested organizations to submit proposals by 5 p.m. Eastern time on Wednesday, May 18, 2016. Proposals can only be submitted through FLUXX, Kresge’s online application portal at kresge.fluxx.io, and only after a registration and credentialing process that can take up to 48 hours, depending on volume. We encourage you to register for a Fluxx account early if you have not already done so.

The application system will require applicants to provide information about their organization and grant request, answer a set of narrative questions, provide demographic data for their organization, and upload a number of attachments as detailed below.

Fluxx portal instructions and helpful tips can be found at tinyurl.com/Fluxxtips.

Required application material

- 1) **Organizational information** – All applicants will be required to provide background information about their organization.
- 2) **Grant request information** – All applicants will be required to provide information about their grant request. Please note that in the online application system:
 - All applicants must select the “Detroit Arts Support” option in the dropdown menu
 - All applicants must enter “General Operating Support” as the project title
 - All applicants must enter a beginning date of the grant period as 7/1/2016
 - All applicants must enter a duration date of 36 months
 - All applicants must request “General Operating Support” as the type of support requested
- 3) **Demographic data** – All applicants will be required to enter demographic data concerning their organization and the populations they serve. The Kresge Foundation is committed to gathering this data in keeping with our value of promoting racial, ethnic, and gender diversity

4) **Narrative** – All applicants will be required to concisely answer the narrative questions below:

- A. Provide a concise overview of your organization’s mission, program(s), and services.
- B. Describe your organization’s contribution to the cultural identity and economic vitality of metropolitan Detroit.
- C. Describe how your organization advances opportunities for creative expression by and with low-income individuals and people of color.
- D. Describe your audience and your efforts to broaden participation and access to arts and culture in your community, including the promotion of cross cultural understanding and diversity through programming.
- E. Discuss your organization’s efforts to advance organizational diversity among board and executive staff leadership.
- F. Describe the role of your organization in advancing or connecting to broader community development efforts, neighborhood revitalization plans, and/or local resident visioning that impact and reside in the neighborhood(s) you serve.
- G. Describe your artistic merit and the strength of your programming. What external and/or objective third-party evaluations support your self-assessment?
- H. Describe your support of local artists and creators of cultural products. This includes the number employed (this may include part time, full time, and contract) and the number involved in training programs or other career development activities.
- I. Please indicate the number of full-time equivalent staff that your organization employs. (See the Appendix 1 for instructions for calculating.)
- J. For organizations with annual operating budgets of more than \$1 million:

Provide a brief description of strategic direction, business drivers and overall capitalization strategy. Address your approach to operating funds (e.g., 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 review the following in Kresge’s

online library:

- a. Capitalization Philosophy and Terms: <http://kresge.org/library/capitalization-philosophy-and-terms>
- b. Guide to Building Reserves: <http://kresge.org/library/guide-building-reserves>

Required attachments for all applications

- 1) **Board member list** – Current board members, with officers noted, and all members’ professional affiliations. Please identify any community representatives as a “volunteer” or “community member.”
- 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) **Project personnel** – The names and qualifications of the key individuals who will lead and manage the work described in this request.
- 4) **Financial statements** - A copy of your audit, qualified financial review or IRS Form 990 from the most recently completed fiscal year. Organizations with annual budgets of more than \$250,000 must submit their most recently completed audit. The audit must follow Generally Accepted Accounting Principles or Government Audit Standards. If the audit for the most recently completed fiscal year is not yet available, please submit the most recently completed audit, which must not be more than two years old (i.e. FY2014 or newer). Organizations with annual budgets of \$250,000 or less must provide a qualified review or IRS Form 990 for their most recently completed fiscal year, but not more than two years old (i.e. FY2014 or newer).
- 5) **Operating budgets** - The organization's operational budget-to-actual for the prior fiscal year, the current fiscal year budget, and a projection for the next fiscal year. Subsidiary organizations should submit a budget as if they were an independent entity, including overhead expenses.

Supplemental documents for organizations

All applicants who previously received funding as part of the 2014 Detroit Arts Support initiative must upload:

- The **Kresge Foundation Funder Report** from DataArts (formerly the Cultural Data Project) that aligns with the most recently completed audit or qualified financial review submitted with the application. For assistance, contact the DataArts Support Center via email at help@culturaldata.org or call 877-707-DATA (877-707-3282).

Organizations that are a subsidiary or component of a larger organization (such as a university or municipality) must upload additional information as described in Appendix 2.

Reporting requirements

All grants will be considered for up to a 36-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 and third years, dependent on the organization's performance and plans.

Grant reports for each year will be due **30 days** after the completion of each grant year (i.e., July 31, 2017, 2018 and 2019).

Grant report narratives must discuss how these funds helped the organization implement its services and inform Kresge of any changes or adjustments in planning and programming for the upcoming year. In addition, the Learning and Evaluation section of this document outlines questions and themes that grantees will be asked to report and reflect on during each reporting period as part of the grant report narrative.

Organizations with annual operating expense budgets greater than \$250,000 must submit their most recently completed audit annually, along with the grant report narrative. Organizations with annual operating expense budgets of \$250,000 or less must submit their most recent qualified financial review or IRS Form 990 annually, along with the grant report narrative.

Organizations are also required to enter their updated organizational and financial data into the Michigan Cultural Data Project (culturaldata.org) prior to submitting each annual report.

Commitment to Learning and Evaluation

The Kresge Foundation is committed to strategic learning, research and evaluation. The Detroit Arts Support grant initiative represents an opportunity for Kresge to learn alongside arts and cultural sector partners. We want to learn what approaches best advance a thriving art and cultural ecosystem in Detroit and how Kresge can support those approaches. To that end, grantees funded through this initiative will be asked to report on topics such as:

- How the organization's capacity and effectiveness were impacted by the initiative.
- How the organization approaches evaluating the impact and outcomes of its programming.
- The obstacles or challenges in developing and sustaining effective collaborations with other arts and non-arts and cultural partners, including public sector partners.
- The leading challenges facing the organization and the local arts and cultural sector over the next few years.
- How the arts sector might address issues of concern in various communities given adequate time and resources.

Specific questions will be included in grant agreements as part of our annual reporting requirements.

Questions

Please email inquirydetroit@kresge.org or call 248-643-9630 to have your question routed to the most appropriate person.

About The Kresge Foundation

The Kresge Foundation is a \$3.6 billion private, national foundation that works to expand opportunities in America's cities through grantmaking and social investing in arts and culture, education, environment, health, human services, and community development in Detroit. Kresge's Detroit Program uses a comprehensive investment strategy in our hometown to advance opportunities for people to thrive. The Detroit Program works toward green, healthy active neighborhoods; a vibrant Woodward Corridor; 21st Century regional transit; a high-quality early childhood system; a robust arts and culture ecosystem; and enhanced civic capacity.

Appendix 1

Instructions for calculating full time equivalent (FTE) staff

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 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 initiative 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), you must upload two attachments:

1. **Subsidiary Narrative (please limit response to 1.5 page total)**
 - a. **Statement of relationship** – Between your organization and your parent organization.
 - b. **Statement of the fiscal relationship** – Between your organization and your parent organization.
2. **Letter of endorsement** – A letter of endorsement and continuing support from the CEO, president or authorized official of the parent organization.

More information to help you develop your responses is included below:

Subsidiary Narrative

a. Statement of relationship (2,000 characters)

- 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.
- 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. Statement of fiscal relationship (3,000) characters

- 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 restatement

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.

Letter of Endorsement

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