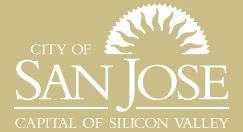


# Operating Grants 2018-2019 Guidelines



## Cultural Funding Portfolio

City of San José Office of Cultural Affairs

participate : create : connect



## ***Cultural Funding Portfolio***

*investments in art, creativity and culture*

# **Operating Grant (OpG) GUIDELINES 2018-2019**

Application Deadline:

**Monday, January 29, 2018, 5:00pm PST**

**See Section 5 for Online Application Submittal Requirements**

**Pre-Application Workshops:**

Tuesday, December 5, 2017, 1:00 - 3:00 pm, Room 1254

Wednesday, December 13, 2017, 3:00 – 5:00 pm, Room 1254

### ***TABLE OF CONTENTS***

<b>1. Office of Cultural Affairs Information</b>	<b>2</b>
<b>2. Purpose &amp; Eligibility</b>	<b>3</b>
<b>3. Funding</b>	<b>6</b>
<b>4. Application Workshops &amp; Assistance</b>	<b>8</b>
<b>5. Application Preparation</b>	<b>9</b>
<b>6. Evaluation Criteria &amp; Scoring Threshold</b>	<b>14</b>
<b>7. Application Review Process</b>	<b>15</b>
<b>8. Grantee Contractual Requirements</b>	<b>17</b>
<b>9. Resources of Interest to Applicants</b>	<b>18</b>

# 1. SAN JOSE OFFICE OF CULTURAL AFFAIRS INFORMATION

---

## Our Mission

The San José Office of Cultural Affairs is a division of the Office of Economic Development, which is a part of the City Manager's Office. The Office of Cultural Affairs (OCA) awards grants to community based organizations for the purpose of enhancing the cultural growth, resources, and vitality of San José.

## What We Do

- Invest in arts and cultural enterprises
- Foster successful festivals and events
- Support creative entrepreneurs and artists
- Build capacity of arts organizations
- Develop and sustain cultural venues
- Enhance the built environment
- Promote cultural tourism
- Increase participation in the arts
- Stimulate the creative economy

## Contact Information

Karen Park  
Arts Program Manager  
(408) 793-4334  
[karen.park@sanjoseca.gov](mailto:karen.park@sanjoseca.gov)

Kerry Adams Hapner  
Director of Cultural Affairs  
(408) 793-4333  
[kerry.adams-hapner@sanjoseca.gov](mailto:kerry.adams-hapner@sanjoseca.gov)

*Office of Cultural Affairs*

**San José City Hall**  
200 E. Santa Clara, 12<sup>th</sup> Floor  
San José CA 95113-1905

[www.sanjoseculture.org](http://www.sanjoseculture.org)

## 2. PURPOSE & ELIGIBILITY

---

### 2.1 Purpose

Operating Grants (OpG) provide essentially unrestricted financial support for selected San Jose arts organizations at various stages of development. OpG levels are designed to result generally in a decreasing proportion of City cultural funding as organizations' budgets grow. In all cases, OpG support represents a small fraction of a grantee's finances.

Operating Grants are intended to support the following **general goals**:

- A sustainable community of stable, debt-free arts organizations that are responsibly governed, well managed and adequately housed; and provide a large and diverse number of opportunities for residents and visitors to enjoy exhibits, performances, and other arts activities, employing professionals to achieve high standards of artistic quality;
- Enriched arts and cultural literacy among residents of all ages through arts education and outreach and opportunities for personal artistic expression and participation;
- Broad-based, community-wide participation in the arts resulting from a diversity of programming with accessibility to all people, regardless of income, background and abilities.

### 2.2 Eligibility

Interested organizations must be able to meet all of the following eligibility requirements *at the time of application* in order for their grant applications to be considered.

#### Mission and Program

- (a) The organization's mission must be focused on the arts.
  - Exception: An organization whose mission **explicitly** includes the arts as a **principal part** of a multi-faceted mission can be eligible if it can document through an independent audit that at least one-third of the organization's annual operating expenses are spent on the direct cost of providing arts programs and activities. **Organizations are strongly encouraged to consult with program staff far advance of the application deadline to confirm their eligibility.**
- (b) The organization must have conducted a majority of its arts programs in San Jose for at least the three years preceding the start of the funding period in the application, OR it must be a current Operating Grant or take pART Grant recipient.
- (c) The organization must provide its plans for offering a program of arts activities to the public in San Jose venues during the period for which it is seeking grant support.
- (d) The organization must operate and offer its arts programs in a non-discriminatory manner and in compliance with all applicable laws, including, without limitation, laws protecting persons with disabilities.

(Eligibility requirements continued the next page.)

## Corporate and Governance

- (a) The organization must be a 501(c)(3) not-for-profit public benefit corporation in good standing.
- (b) The organization must have a governing body of at least five persons, a majority of whom must not be employees, the immediate family or spouses/domestic partners of employees of the organization.
- (c) The organization must be based in San Jose as evidenced by its legal, administrative and program headquarters in San Jose.

## Finance and Grant History

- (a) Operating revenues and expenditures of at least \$50,000, not including in-kind support, in its three most recently completed fiscal years.
  - o If the arts are not the entire focus of the organization's mission, then the \$50,000 annual requirement above applies to its expenditures on the *direct cost* of its arts programs (i.e., exclusive of administrative, general overhead and other costs not directly the result of arts programming.).
- (b) Operating revenues and expenditures of at least \$50,000, not including in-kind support, projected for its current fiscal year and the proposed grant period.
- (c) At a minimum, the organization's year-end Financial Reports must be *compiled* by a third-party accounting firm with no relation to the organization. Audits or Reviews are expected for larger budget organizations as outlined in the following section.
- (d) The organization must be in compliance with the requirements of any current and previous grants it has received through the Office of Cultural Affairs.
- (e) The organization must not be receiving long-term loans from the City.

## 2.3 Expected Standards of Practice

Operating Grant applicants are expected to meet the following standards of organizational practice on a consistent basis:

### ***Minimum Standards of Practice for All Organizations***

- Artists compensated with at least an honorarium, except for artists enrolled as students with the organization.
- At least the equivalent of one half-time paid administrative employee.
- No operating deficit unless it is strategically planned with reserves to cover them.

### ***Additional Standards for Organizations with average expenditures above \$200,000***

- At least the equivalent of one full-time paid employee with duties including executive and/or artistic management.
- Current practice of Annual Reviewed Year-End Financial Reports.
- General liability insurance.

### ***Additional Standards for Organizations with average expenditures above \$750,000***

- Artists compensated at generally accepted professional standards for the field within the San Francisco Bay Area.
- Wheelchair accessible offices, rehearsal spaces, training and other facilities necessary to prepare programs.
- Current practice of Annual Audited and Certified Year-End Financial Reports.

These standards are incorporated into the Operational Effectiveness criterion described in Section 6.1.

### 3. FUNDING

#### Important Note:

The Operating Grants are awarded on a competitive basis. Past grant awards are no assurance of future awards. Frequently in recent years, a number of applications have not been recommended for awards. Applicants are encouraged to plan accordingly. Available funds for granting are subject to City Council approval of the FY2018-19 Operating Budget.

#### 3.1 Funding Period & Use

Operating Grants are intended to support general operating expenses incurred during a grantee's **fiscal year that ends in 2019**. For many organizations, the fiscal year will end in June. Other common fiscal year ends are in the months of August, September and December. Regardless of funding period, Operating Grants may be used for a broad range of expenditures necessary to run an organization and deliver programming to the public. Organizations with missions that are not exclusive to the arts may only spend grant funds on costs related to arts programming.

Due to contract processing requirements, **initial FY2018-19 grant awards are not likely to be disbursed by the City prior to October 2018**. If this disbursement schedule presents a cash flow challenge, grantees are encouraged to explore the Arts Loan Fund, a source for quick-turnaround, low-interest bridge loans specifically tailored to the needs of the nonprofit arts community. Additional information about this option can be found in the final page of these guidelines.

City arts grants may not be used for:

- Any religious purpose, including for the promotion of any sect, church, creed or sectarian organization, nor to conduct any religious service or ceremony. A grantee shall not spend any portion of the grant to inhibit or promote religion, nor to convey a religious message;
- Political advocacy efforts whether for or against a political candidate, ballot measure or bill;
- Programs, projects or events not accessible to the public or that are held outside San Jose;
- Purchase of capital equipment or real property;
- Events where fund-raising is the primary purpose;
- Costs of receptions and social activities, except when they are incidental and related to arts activities; and
- Deficit or debt reduction efforts.

### 3.2 Funding Amount

Operating Grant applicants do not apply for a specific grant amount. Instead, an initial “**Reference Grant**” is determined by:

- Organization’s cash operating expenditures, averaged over 3 completed years\*\*;
- Amount of funds available for granting; and
- Number and budget size of all operating grant applicants

\*\* If the organization is not an arts organization, then only the direct arts-specific expenditures will be counted.

For illustration purposes, below is a table which provides a sample percentage range for initial Reference Grants. Actual percentages will vary based on the overall funds available for granting and the budgets of the applying organizations.

<b>Annual Cash Operating Expenditure (3 Year Average)</b>	<b>Sample Percentage Range * for illustration purposes only</b>
\$50,000 – \$200,000	12% – 9%
\$200,000 – \$750,000	9% – 6%
\$750,000 – \$5,000,000	6% – 3.5%
\$5,000,000 – \$15,000,000	3.5% – 1.5%
<i>Organizations focused not solely on the arts: Use direct arts program expenditures only.</i>	<i>* Actual percentages are determined by funds available for granting and overall grant applicants’ size and number.</i>

Applicants can get a **rough estimate** their initial Reference Grant by using the **Reference Grant Calculator** found on the OCA’s Operating Grant webpage. Note: The figure generated by the Reference Grant Calculator is only an estimate because the funds available for granting and the overall budgets of applying organizations are not known at this time.

After the panel evaluations, the Review Panel will recommend adjustments to each applicant’s Reference Grant. The highest ranked applications may be recommended for upward adjustments, and applications at the bottom may be recommended for adjustments downwards or not recommended for funding.



## 4. APPLICATION WORKSHOPS AND ASSISTANCE

---

### 4.1 Pre-application Workshops

All organizations that are considering applying for a grant are **strongly encouraged** to attend one of the pre-application workshops offered by OCA. At each workshop, staff will review the guidelines and demonstrate WebGrants, the City's online grant application system.

First-time applicants are encouraged to attend a pre-application workshop and to consult with the program staff well in advance of the application deadline if they have any questions about program requirements.

The Pre-application Workshops are scheduled as follows (content is identical):

- **Tuesday, Dec. 5, 2017, 1:00 – 3:00 pm**  
Location: **City Hall Tower (12<sup>th</sup> floor), Room 1254**
- **Wednesday, Dec. 13, 2017, 3:00 – 5:00 pm**  
Location: **City Hall Tower (12<sup>th</sup> floor), Room 1254**

**All organizations are requested to RSVP to [GrantsWorkshop@sanjoseca.gov](mailto:GrantsWorkshop@sanjoseca.gov).**

Parking is available in the City Hall Parking Garage. Enter on the 6<sup>th</sup> Street side and park in the City Hall Tower section near the Garage entrance. Bring your parking ticket to the meeting room for validation.

### 4.2 Open Clinics

In addition to the structured workshops, staff will be available on a drop by basis to answer questions about the guidelines, program requirements or WebGrants. Staff cannot provide comments on specific applications. The open clinics will be held in the Office of Cultural Affairs, on the 12<sup>th</sup> floor of City Hall, on the following days:

- **Weds, Jan 10, 2018, 10-noon**
- **Weds, Jan 17, 2018, 10-noon**

### 4.3 WebGrants Assistance

Applicants may contact program staff during regular business hours for technical questions about WebGrants. Contact information is available on Page 2. Please allow at least three business days to receive a response.

## 5. APPLICATION PREPARATION

---

### **IMPORTANT NOTICE:**

Electronic application through WebGrants is Mandatory.

**Deadline is Monday, January 29, 2018, 5:00 PM (PST)**

The system will not allow any applications to be submitted after the deadline time, and staff cannot override the system

**Applicants are encouraged to submit their applications early - no later than 7 days prior to the deadline - to give themselves ample time to resolve any unexpected issues.**

*You take a significant risk by waiting until the day of the deadline to submit.*

### **5.1 One-Year and Two-Year Application Determination**

Each year, certain organizations are eligible to file a two-year application that covers both the FY2018-19 and FY2019-20 cycles. During the FY2018-19 funding cycle, organizations that meet all the following criteria are eligible for a two-year application:

- had annual operating expenditures averaging **\$750,000 and over** in the three most recently completed fiscal years (For non-arts organizations, substitute documented arts-specific expenditures in lieu of annual operating expenditures.);
- received Operating Grants in the past two funding cycles; and
- did not incur an operating deficit at the end of FY2016-17 and is not projecting an operating deficit at the end of FY2017-18; OR incurred an operating deficit at the end of FY2016-17 or projects a deficit at the end of FY2017-18 but can demonstrate that the deficit did not or will not exceed 15 percent of its unrestricted fund balance (unrestricted net assets).

**All other organizations are** submitting a **one-year application** for the FY2018-19 program cycle.

NOTE: One-year and two-year applicants complete the same application in WebGrants. Applicants that qualify to file a two-year application will be directed in the application to provide additional information that applies to the second year, where applicable. **Please contact program staff if you are unclear about what applies for your organization.**

## 5.2 Getting Started With WebGrants

WebGrants is the City's portal for all grants opportunities offered throughout the City and can be accessed at:

[grants.sanjoseca.gov](http://grants.sanjoseca.gov) (Note: there is **no** [www](http://www) prefix to this web address)

*Grant applications will only be accepted through WebGrants, However, supporting materials must be submitted in person or by mail (see Section 5.5).*

**RETURNING APPLICANTS NEED NOT REQUEST A NEW USER ID AND PASSWORD:** If you have **forgotten your User ID**, email the Arts Program Manager. If you have forgotten your **password**, you can click on the "Forgot Password" link on the WebGrants login page.

**SETTING UP A USER ID AND PASSWORD:** If you have never applied for a grant from the City, you must create a User ID and Password and identify the organization that you represent. Requests for new user IDs and passwords usually require three to five business days to process.

Organizations are responsible for contacting City staff when registered individuals should no longer have access to the organization's information and grant applications in WebGrants.

## 5.3 Accessing the Application Instructions

Once you are logged into WebGrants:

- 1) Click on "**Funding Opportunities**" in the Main Menu;
- 2) Under "Title" column, locate and click on "**Operating Grant FY2018-19.**" Here you will find general eligibility information, information about pre-application workshop dates, and important attachments related to this application, including the OpG Guidelines (this document) and the Application Instructions.
- 3) Download and print the "**Application Instructions.**" This guide will provide step by step instructions on how to start an application and important instructions on how to complete each section of the application.

**READ THE APPLICATION INSTRUCTIONS PRIOR TO STARTING THE APPLICATION.**

You do not have to complete and submit the application in one sitting.

You may save and return to it as many times as you like.

After the **General Information Form** is completed, applicants have the ability to **preview** and print a copy of the entire electronic application for planning purposes.

## 5.4 Online Application Components

The online portion of the Application consists of the following components in WebGrants:

- **General Information**
- **Sources of Funds Statement**
- **Cover Sheet**
- **Narrative**
- **Application Signature**
- **Attachments. All attachments must be in PDF format, with exception of Supporting Material(s) and Work Sample; see required formats in #9 and #10.**
  1. **CDP Funder Report**, which must include historical data for 3 most recently completed fiscal years, beginning FY2014-15. (See Section 5.6)
  2. **Applicant's Notes** to CDP Funder Report. (See Section 5.6)
  3. **FY2016-17 Financial Report:** Audited, reviewed or compiled financial report for most recently completed fiscal year; OR if this financial report is not yet available, 1) a letter from the CPA stating when it will be completed AND 2) internally-generated financial statements for most recently completed fiscal year. (See Section 5.7)
  4. **FY2017-18 Year to Date Financial Statements**
  5. **FY2018-19 Proposed Budget**
  6. **List of arts activities:** Include one page for each of the following years: FY2017-18 & FY2018-19..
  7. **Brief bios** of key administrative and artistic staff, including job titles and years with the organization.
  8. **Board Roster**, including occupation, city of residence and term of office.
  9. **Supporting Materials:** Attach a maximum of 3 documents total that reflect the applicant's programming. **Acceptable formats: PDF, JPEG or Word document with a hyperlink to document or webpage.** Materials may include PDF or link to brochures, catalogues, programs or other collateral produced by the applicant and/or press reviews or articles from sources outside the organization.  
(NOTE: If supporting materials cannot be scanned into a PDF or JPEG file, applicant may provide 2 hard-copy sets of supporting materials in separate envelopes by the deadline. See Section 5.5 for preparation details if submitting supporting materials in hard copy format.)
  10. Audit Documentation of arts-specific expenses totaling more than one-third of annual operating expenses (Only required for non-arts organizations)
  11. **Work sample (optional but recommended), no more than 6 minutes total.** Work samples provide additional context for the core artistic work of your organization. **Acceptable formats:** Word document with a hyperlink to YouTube or Flickr or website; audio file (YouTube, MP3, or Flickr); video file (YouTube or Flickr); or Flickr Photo Gallery. **DVD's and CD's are cannot be accepted.**

To set up a free Flickr account, go to [www.flickr.com](http://www.flickr.com)  
To set up a free YouTube account, go to: [www.youtube.com](http://www.youtube.com)  
To create MP3 files, download iTunes free at: [www.apple.com/itunes/download/](http://www.apple.com/itunes/download/)

## 5.5 Supporting Materials Requirement

For requirements on acceptable Supporting Materials, see Section 5.4, Item #9.

**NOTE: Applicants that have attached their supporting materials in the WebGrants can ignore this section.** This section only applies to applicants whose supporting materials cannot be converted clearly into PDF/JPEG format or hyperlinked into a Word document for attaching in WebGrants.

If Supporting Material(s) cannot be submitted as an attachment in WebGrants, 2 sets of Supporting Materials collated in 2 separate envelopes must either be postmarked by the deadline date or delivered to the Office of Cultural Affairs by 5:00 PM on or before the deadline.

Physical copies of **work samples** (DVD, CD, etc) cannot be accepted as supporting materials or work samples. If you wish to submit an optional work sample, it must be submitted electronically in WebGrants. See Attachments list in Section 5.4 for specific directions on preparation of work samples.

## 5.6 Cultural Data Profile Funder Report Attachment

DataArts (formerly Cultural Data Project) is a nationwide, collaborative effort of public and private funders and consists of an on-line system for collecting and standardizing historical financial and organizational data.

Operating Grant applicants must access the DataArts website ([www.culturaldata.org](http://www.culturaldata.org)) and create Cultural Data Profiles (CDP) for the following years: **FY2014-15, FY2015-16** and, if available at time of application, **FY2016-17**. After completing the Data Profiles, applicants will then generate the **CDP Funder Report** for the **San Jose Office of Cultural Affairs** and attach it to the Application. If data from FY2014-15 and FY2015-16 are missing, the application will be deemed incomplete and may not be forwarded to the panel for review. First-time applicants are encouraged to get started early as creation of Data Profiles involves collecting financial and programmatic information from various sources.

**Applicant's Notes to the CDP Funder Report:** Applicants are encouraged to review their CDP Funder Report and develop notes that accompany the Funder Report specifically designed for the panel reviewers. The notes are an opportunity to provide panelists context on significant trends shown in the data (i.e., multi-year deficits, decreasing revenues, etc) or explain fluctuations of more than 20% in significant line items.

There is a specific line in the Attachments section of WebGrants for these notes to be attached. The notes must be converted to PDF prior to attaching.

## 5.7 Financial Report Attachment

Applicants are expected to provide the accountant-compiled, -reviewed, or -audited Year-End Financial Report, including any Management Letter, as appropriate for their size, for the fiscal year ending in 2017.

If the appropriate Financial Report is not ready to be delivered by the application deadline, applicants must submit in its place all of the following for FY2016-17:

- a) Internally-prepared Year-End Income/Expense Statement;
- b) Balance Sheet; and
- c) Letter from the applicant's accountant explaining the nature of the delay and providing an estimate of when the Financial Report will be provided.<sup>1</sup>

## 5.8 Other Required Documents

If not already on file with the Office of Cultural Affairs, staff may request that the applicant provide the following documents prior to the Panel Review:

- Recently updated 501(c)(3) determination letter from the Internal Revenue Service.
- Certified Articles of Incorporation and organization's By-Laws.
- FY2014-15 & FY2016-17 audited, reviewed or compiled financial report from an independent CPA.

## 5.9 Public Nature of Application Materials

Applications submitted for arts grants become the exclusive property of the City of San José. At such time as the Office of Cultural Affairs recommends a grantee to the City Manager or City Council, all applications received become a matter of public record and shall be regarded as public records, with the exception of those elements in the application which are defined by the applicant as business or trade secrets and designated as *Confidential*, *Trade Secret*, or *Proprietary*. The City shall not in any way be liable or responsible for the disclosure of any such application or portions thereof, if they are not designed as *Confidential*, *Trade Secret*, or *Proprietary* or if the disclosure is required under the Public Records Act. *Any application which contains language purporting to render all or significant portions of the application Confidential, Trade Secret, or Proprietary shall be regarded as non-responsive and, therefore, not eligible for review.* If an organization wishes to designate elements of the application as business or trade secret, they must submit a letter to OCA staff at the time of application identifying the specific sections of their electronic application that the applicant defines as business or trade secret.

Although the California Public Records Act recognizes that certain confidential trade secret information may be protected from disclosure, the City may not be in a position to establish that the information that an applicant submits is a trade secret. If a request is made for information marked *Confidential*, *Trade Secret*, or *Proprietary*, the City will provide the applicant who submitted the information with reasonable notice to allow the applicant to seek protection from disclosure by a court of competent jurisdiction.

---

<sup>1</sup> The applicant is required to submit the Financial Report when it is ready. Not delivering the completed Financial Report could delay the processing of a grant agreement, if awarded, or lead to the cancellation of a grant award.

## 6. EVALUATION CRITERIA AND SCORING THRESHOLD

---

### 6.1 Evaluation Criteria

**Artistic Program**..... 30% of total score

*Key elements:* Given its mission, the applicant’s ability to define and achieve appropriate artistic goals, its commitment to creativity and quality and, if appropriate to its mission, the development of new work.

**Operational Effectiveness**..... 30% of total score

*Key elements:* Given the applicant’s budget size and age, the general state of its governance and organizational development, management, and operational and **financial** soundness, ability to achieve appropriate audience and fundraising goals; extent of operational innovativeness and adaptability to external trends; and adherence to Expected Standards of Practice outlined in Section 2.3.

**Community Impact**..... 30% of total score

*Key elements:* The reach of the applicant’s core programs and the extent to which they engage audiences and provide opportunities for participatory involvement in the arts, including targeted engagement and lifelong arts learning opportunities (i.e., youth, seniors, etc); the effectiveness of its audience-development activities and its plans for reaching a diverse, broad-based audience; programming and other activities that reach out to economically disadvantaged communities and communities that lack conventional arts venues or formal arts programs; and the contribution it makes to sustaining a local community of artists.

**Economic Impact** ..... 10% of total score

*Key elements:* Demonstrated economic benefit to San Jose through indicators such as: contribution to the San Jose brand as a cultural destination, overall attendance, percentage of attendees from outside San Jose, attraction of people and volume of activities in a specific location that result in the vibrancy of a geographic area, number of participating artists, jobs sustained; economic impact on San José businesses (i.e., hotels, restaurants, retail, garages, etc.); and ability to generate local tax revenue for San Jose.

Key elements are described so that applicants may have an idea of how the panel will approach each criterion. The key elements represent the most obvious and significant aspects of each criterion and do not preclude consideration of other relevant factors.

### 6.2 Minimum Scoring Threshold – Overall Score of 60 Percent

Grant awards are awarded on a competitive basis. **Applications that fail to earn an overall score of 60 percent are automatically excluded from funding consideration.** However, achieving a score of at least 60 percent does not guarantee that the panel will recommend an application for funding, depending on the range of the scores, quality of applications and total funding available. Prior success in receiving an Operating Grant is no assurance that an organization will be awarded another grant.

## 7. APPLICATION REVIEW PROCESS

---

### 7.1 Eligibility and Completeness Screening

OCA staff will review all applications for eligibility and completeness. Applications that pass this initial review will then be evaluated for their strengths by a separate Grant Review Panel, which will rely substantially on the information provided in the application and supporting materials submitted by applicants.

### 7.2 Grant Review Panel

The Review Panel is comprised mainly of individuals with substantial background in the arts, usually drawn from the ranks of experienced and skilled managers and board members of Greater Bay Area arts organizations and experienced arts grant-makers from the philanthropic and public sectors. They are frequently joined by a smaller number of individuals drawn from the City's Arts Commission.

The OCA may engage an experienced consultant to conduct an in-depth examination of aspects of selected applications, in which case the consultant's reports will also be provided to the Review Panel. In addition, the OCA may provide prior grant report information and other officially gathered information to the Review Panel.

Applicants are encouraged to attend the Review Panel meeting, tentatively scheduled for Thursday and Friday, March 15 - 16, 2018. The OCA will email the grant review date, schedule and location to applicants prior to the Review Panel meeting.

Each applying organization may make a brief oral presentation to the panel. **Such presentations are optional.** Specific information will be communicated to applicants in advance of the panel meeting.

Based on its evaluations of grant applications, the Review Panel works with staff to develop proposed grant recommendations. **Organizations that score below 60% are automatically removed from funding consideration.** Additionally, the Review Panel may determine that other applications do not warrant a grant award based on their overall scores.

For each application for which the panel decides to recommend a grant award, it may choose to keep the hold the award amount at the applicant's Reference Grant, increase the amount beyond the Reference Grant, or reduce the amount below the Reference Grant, depending on the evaluation results. (See Section 3.2 for additional information about Reference Grants.)

After the Panel Meeting, OCA staff will review the Review Panel's recommendations to align proposed grant awards with available funds and for consistency with granting policies and guidelines.



### **7.3 Appeals**

An organization may file an appeal of the Grant Review Panel's recommendation only if it is based on one or more of the following circumstances:

- The Arts Commission, or one of its committees, Review Panels and/or Arts Program staff substantially deviated from the published grant review policies and procedures or there were ambiguities or mistakes in the application materials that were significantly more detrimental to the applicant than to other applicants;
- Required application materials that were submitted by the deadline were omitted from the materials the Review Panel considered during the review process; or
- A member of the Grant Review Panel did not recuse her/himself even though s/he had a conflict of interest; as such term is defined under state law, in relation to an applicant, which should have resulted in the panelist's recusal from evaluating the application or participating in a discussion regarding the applicant.

The Arts Commission and its committees will not consider appeals that are based on:

- Correcting applicant errors and omissions in the application or review process;
- Disagreements about the merits of the application relative to others the Review Panel considered;
- Events and/or organizational developments that occurred after the Grant Review Panel meeting.

Applicants must submit their appeals in an approved written form to Arts Program staff within the specified time period after Grant Review Panel results have been sent. The notification will specify the deadline to file an appeal.

Staff, in consultation with the City Attorney's Office, will determine whether the grounds for appeal meet one of the criteria for filing appeals described above, and if so, a special Appeals Panel will be convened. In order for the Appeals Panel to uphold the appeal, the applicant must substantiate that 1) one of the eligible circumstances for appeal occurred and 2) this circumstance negatively affected the grant recommendation for the appellant.

The Appeals Panel will report its findings to Executive Committee. If an applicant is dissatisfied with the Appeal Panel's resolution of its appeal, the applicant may address its appeal further to the full Arts Commission, as long as the appeal is based on the Grounds for Appeal described above.

### **7.4 Final Stages of the Review Process**

The funding recommendations are submitted to the Arts Commission's Executive Committee, which reviews them and makes reasonable modifications it deems necessary in order to be consistent with policy, before forwarding the recommendations to the full Arts Commission. The Arts Commission reviews the funding recommendations and makes its recommendation to the City Council. Grant awards are subject to the City Council's adoption of the annual operating budget, which usually occurs in June.

## 8. SELECTED GRANTEE CONTRACTUAL REQUIREMENTS

---

### 8.1 Business Tax and Insurance Requirements

Successful grant applicants must have a current Business Tax Certificate. Not-for-profit organizations are normally exempt from paying the San Jose business tax but must apply for the certificate and the tax exemption. In addition, successful grant applicants must submit a certificate of insurance satisfactory to the City of San Jose Risk Management Office in order for their grant awards to be processed.

### 8.2 Reporting

All Operating Grant Program grantees must submit a Final Report for the grant on a City-provided form no later than 60 days after the fiscal year end. In addition, some grantees may be requested to file an additional report at mid-year. Grantees must be current on filing required reports before they can receive grant funding.

### 8.3 Acknowledging City Support

Grant recipients must acknowledge the City's financial support in all appropriate materials and media. The acknowledgement should read, "**Supported in part by a Cultural Affairs grant from the City of San José.**" If the City is a part of a list of supporters, the acknowledgement may simply state "**City of San José.**" Grantees must display the City's logo whenever other sponsor logos are displayed.

**NEW for FY2018-19:** The City of San Jose is one of a growing number of cities and communities involved in [Creating Connection](#), a national initiative whose goal is to make arts and culture a recognized, valued and expected part of everyday life. A key strategy is highlighting how creative expression provides people opportunities to connect with friends and family, with community and with themselves. The City is promoting **#408Creates**, a hashtag to use when posting images and activities on social media that reflect their personal creativity. All San Jose arts and cultural organizations are also invited use this hashtag when sharing their programming on social media and encouraged to include this hashtag in their promotional materials. Other useful tools and resources to promote the goals of *Creating Connection* are available at [www.creatingconnection.org/tools](http://www.creatingconnection.org/tools).



### 8.4 Audit Posting Requirement

Although grant applicants are not universally required to have annual audited financial statements, organizations receiving a total of more than \$290,000 in City grants and subsidies in a single fiscal year, aggregated from all City sources (i.e., multiple departments and programs), are required to post audited financial information on the Internet within six months of the end of their fiscal years.

## **8.5 Copyright Law**

No copyrighted musical or visual arts composition shall be performed or played, whether amplified, televised, in the form of a mechanical recording or personal rendition, or otherwise, in connection with any use of City property by a grantee, unless the grantee has first obtained all approvals and paid any license fee or other fee required by the copyright owner. When entering into a Grant Agreement, a grantee indemnifies the City and its officers and employees and agrees to keep them free and harmless from and against any and all liability and responsibility whatsoever for any infringement of and/or other violation of the right of any such copyright owner under any copyright law.

## **8.6 Compliance with the Child Abuse and Neglect Reporting Act and Employee/Volunteer Clearance Verification**

If awarded a grant, applicants who provide services involving minors will be required to conduct a criminal background check, including fingerprints, on each of its employees and volunteers who have supervisory or disciplinary authority over minors through the database of the California Department of Justice and an FBI criminal database or equivalent national database. Grantees must also comply with the provisions of the Child Abuse and Neglect Reporting Act.

## **8.7 Environmentally Preferable Procurement Policy**

The City Council has adopted an Environmentally Preferable Procurement Policy. The goal is to encourage the procurement of products and services that help to minimize the environmental impact resulting from the use and disposal of these products. The Policy's provisions, such as a good faith effort in the procurement of goods with recycled content, avoiding specifying virgin materials wherever practicable, integrating environmental considerations into buying decisions, etc., apply to City contractors and grantees as well. A description of the environmentally preferable procurement and the Policy can be found on the City's website at the following link: <http://www.sanjoseca.gov/documentcenter/view/3862>.

## **9. RESOURCES OF INTEREST TO APPLICANTS**

---

### **9.1 For Low-interest Cash Flow Loans....Arts Loan Fund**

A collaborative program of the members of the Northern California Grantmakers, the Arts Loan Fund (ALF) offers quick-turnaround, low-interest cash flow loans specifically tailored for the needs of nonprofit arts organizations. Loans can also be requested 1) to alleviate anticipated cash flow shortages leading up to the production of a program or established fundraising event or 2) for ventures or initiatives that are intended to generate new revenue streams or result in organizational cost-savings. The interest rate for all loans is typically 1% below prime. [www.artsloanfund.org](http://www.artsloanfund.org)

### **9.2 For Professional Development and Capacity-building Grants....Creative Capacity Fund – Quick Grant Program**

Organizations and individuals interested in capacity building grants are encouraged to inquire about funding opportunities through the Creative Capacity Fund Quick Grant Program, a regional pooled fund to support capacity building. <http://cciarts.org/ccf/>