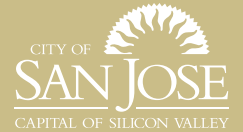


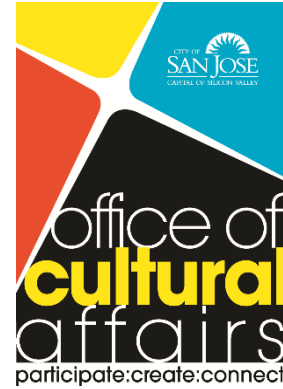
# Operating Grants 2023-2024 Guidelines



## Cultural Funding Portfolio

City of San José Office of Cultural Affairs

participate : create : connect



## ***Cultural Funding Portfolio***

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*investments in art, creativity and culture*

# **Operating Grant (OpG) GUIDELINES 2023-2024**

### **Application Deadline:**

**Thursday, February 2, 2023, 5:00 PM PST**

See Section 5 for Online Application Submittal Requirements

### **Required Pre-Application Workshop:**

**Thursday, December 8, 2022, 10:00 AM – 11:30 AM via Zoom**

*(RSVP for Zoom link)*

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## 1. SAN JOSE OFFICE OF CULTURAL AFFAIRS INFORMATION

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### Our Mission

The San José Office of Cultural Affairs is a division of the Office of Economic Development and Cultural Affairs, 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

For questions regarding the Operating Grant guidelines, please contact Ron Muriera, Arts Industry Support Director at [ron.muriera@sanjoseca.gov](mailto:ron.muriera@sanjoseca.gov) or at (408) 793-4334.

*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

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### 2.1 Purpose

Operating Grants (OpG) provide essentially unrestricted financial support for selected San José 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 providing 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 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 in advance of the application deadline to confirm their eligibility.**
- (b) The organization must have conducted a majority of its arts programs in San José **for at least the three years** preceding the start of the funding period in the application.
- (c) The organization must provide its plans for offering a program of arts activities to the public in San José 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 at the time of application.
- (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 José as evidenced by its legal, administrative and program headquarters in San José.

## 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.
  - 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. (Note: Majority of grantees in this program have budgets in excess of \$200,000.)
- (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 Required Standards of Practice

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

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

- At least the equivalent of one full-time paid employee (not contractor) with duties including executive and/or artistic management.
- Artists compensated with at least an honorarium, except for artists enrolled as students with the organization.
- Administrative employees paid at rates commensurate with comparable organizations in the San José arts community.
- General Liability insurance.
- Workman's Compensation insurance.
- No operating deficit unless it is strategically planned with reserves to cover them.
- Current practice of annual Year-End Financial Review completed by an external Certified Public Accountant/Firm.

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

- Current practice of annual Year-End Financial Review completed by an external Certified Public Accountant/Firm.

### ***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.
- Accessible offices, rehearsal spaces, training, and other facilities necessary to prepare programs.
- Current practice of annual certified Year-End Financial Audits completed by an external Certified Public Accountant/Firm.

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. The near-term forecast of the Transient Occupancy Tax (TOT), which is the source of the City's arts and cultural grants, is significantly impacted by restrictions on travel and mass gatherings due to COVID-19. Applicants are encouraged to plan conservatively in regard to the overall funding available for FY2023-24 Cultural Affairs grants.

#### 3.1 Funding Period & Use

Operating Grants are intended to support general operating expenses incurred during a grantee's **fiscal year that ends in 2024**. 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 FY 2023-2024 grant awards are not likely to be disbursed by the City prior to October 2023**. 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 José;
- 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.

Annual Cash Operating Expenditure (3 Year Average)	Sample Percentage Range * for illustration purposes only
\$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 WORKSHOP AND ASSISTANCE

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### 4.1 Required Pre-application Workshop

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

First-time applicants are also **REQUIRED** 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 Required Pre-application Workshop is scheduled as follows:

- **Thursday, December 8, 2022, 10:00 AM – 11:30 AM via Zoom**  
RSVP to [GrantsWorkshop@sanjoseca.gov](mailto:GrantsWorkshop@sanjoseca.gov) for link.

**You must RSVP to [GrantsWorkshop@sanjoseca.gov](mailto:GrantsWorkshop@sanjoseca.gov) to receive the meeting link.**

### 4.2 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 (3) business days to receive a response.

## 5. APPLICATION PREPARATION

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### **IMPORTANT NOTICE:**

*Electronic application through WebGrants is Mandatory.*

**DEADLINE: Thursday, February 2, 2023, 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.\* During the FY 2023-2024 funding cycle, the two-year application covers both the FY 2023-2024 and FY 2024-2025 cycles. Organizations that meet all the following criteria are eligible to file a two-year application in the FY 2023-2024 cycle:

- had annual operating expenditures averaging **under \$750,000 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 FY 2021-2022 and is not projecting an operating deficit at the end of FY 2022-2023; OR incurred an operating deficit at the end of FY 2021-2022 or projects an operating deficit at the end of FY 2022-2023 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 FY 2023-2024 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. **Please contact program staff if you are unclear about what applies for your organization.**

*\*Due to the impact of the COVID-19 pandemic, Operating Grant review panels were not held for the FY 2021-2022 grant cycle and all FY 2020-2021 applications were treated as two-year applications. With panel review panels having resumed in the FY 2022-2023 application cycle, alternating two-year application eligibility by budget size also resumed.*

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

**RETURNING APPLICANTS NEED NOT REQUEST A NEW USER ID AND PASSWORD:** If you have **forgotten your User ID**, email the Arts Program Manager at [arts.program@sanjoseca.gov](mailto:arts.program@sanjoseca.gov). 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 not applied for a grant from the City before, 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 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 FY 2023-2024.**” 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 can **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 #11).*
  1. **CDP Funder Report**, which must include historical data for 3 most recently completed fiscal years, beginning FY 2019-2020. (See Section 5.6)
  2. **Applicant's Notes** to CDP Funder Report. (See Section 5.6)
  3. **FY 2021-2022 Financial Report:** Audited or reviewed 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. **FY 2022-2023 Year to Date Financial Statements**
  5. **FY 2023-2024 Proposed Budget**
  6. **List of arts activities:** Include one page for each of the following years: FY 2022-22023 & FY 2023-2024.
    1. **Brief bios** of key administrative and artistic staff, including job titles and years with the organization.
    2. **Board Roster**, including occupation, city of residence and term of office.
    3. **Supporting Materials:** Attach a maximum of 3 documents 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. (**NOTE:** Review panels will be held online, therefore, **hard-copies of supporting materials will not be accepted.**)
    4. Audit Documentation of arts-specific expenses totaling more than one-third of annual operating expenses (Only required for non-arts organizations)
    5. **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 list of hyperlink(s) to YouTube, Vimeo, SoundCloud, or file on your website; **audio file** (YouTube, Vimeo, MP3, or other file sharing website); **video file** (YouTube, Vimeo, or other video file sharing website). **DVD's and CD's cannot be accepted. Please make sure that work sample files are not password protected.****

## 5.5 Cultural Data Profile (CDP) Funder Report Attachment

The Cultural Data Profile (CDP), a flagship online platform managed by [SMU DataArts](#), is used by thousands of cultural nonprofits to report their annual year-end financial and programmatic information to participating funders, including the San José Office of Cultural Affairs.

Once the data is entered, organizations can also generate personalized analytic reports with helpful visualizations of their data that highlight key financial, marketing and fundraising metrics. Organizations can also produce an annual report dashboard to share with their board, generate specialized printouts of key financial, marketing and fundraising metrics, examine trends in their organization's performance and make comparisons to a peer group.

Operating Grant applicants should access the SMU DataArts website ([www.culturaldata.org](http://www.culturaldata.org)) and enter Cultural Data Profiles (CDP) for the following years: **FY 2019-2000, FY 2020-2021** and, if available at time of application, **FY 2021-2022**. After completing the Data Profiles, applicants will then generate the **CDP Funder Report** for the **San José Office of Cultural Affairs** and attach it to the online application. If data from FY 2019-2000 and FY 2020-2021 are missing, the application will be deemed incomplete and may not be forwarded to the panel for review.

First-time applicants are encouraged to start early and allow ample time to complete the Data Profiles, which require compiling detailed financial and programmatic information. SMU DataArts offers live telephone assistance as well as informative tutorials and webinars to provide support for organizations during the process.

**Applicant's Notes to the CDP Funder Report:** Applicants are **strongly encouraged** to review their CDP Funder Report and prepare separate notes that accompany the Funder Report so that panelists can better understand any anomalies or large fluctuations in the data. The notes are an opportunity to provide panelists explanations of significant trends shown in the data (i.e., multi-year deficits, decreasing revenues, etc) or explain fluctuations of more than 20% in major line items. There is a specific row in the Attachments section of WebGrants for these notes to be attached. *The notes must be converted to PDF prior to attaching.*

## 5.6 Financial Report Attachment

Applicants are expected to provide the accountant-reviewed, or -audited Year-End Financial Report, including any Management Letter, as appropriate for their size, for the fiscal year ending in 2022.

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 FY 2021-2022:

- 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>

## 5.7 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.
- FY 2019-2000 & FY 2020-2021 audited or reviewed financial report from an independent CPA.

## 5.8 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.

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

## 6. EVALUATION CRITERIA AND SCORING THRESHOLD

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### 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 Required Standards of Practice outlined in Section 2.3.

**San José 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 underrepresented 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 José through indicators such as: contribution to the San José brand as a cultural destination, overall attendance, percentage of attendees from outside San José, 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 José.

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

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### 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 arts and culture, usually drawn from the ranks of experienced and skilled arts and culture administrators, managers and board members of Greater Bay Area arts organizations and experienced arts and culture grant-makers from the philanthropic and public sectors. They are frequently joined by a smaller number of individuals drawn from the City's San José 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 which will be held online via Zoom, *tentatively scheduled* for **March 2023**. The OCA will email the grant review date, schedule, and Zoom link to grant applicants prior to the Review Panel meeting.

Each applying organization is given the **option** to speak to the panel after their application review. Specific information will be communicated to applicants in advance of the Review Panel meeting.

Based on its evaluations of grant applications, the Review Panel works with Arts Industry Support 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 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 Review Panel Meeting, OCA staff will review the 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 Industry Support 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 San José 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 Industry Support 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

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### 8.1 Compliant Vendor Requirements

To receive a grant from the Office of Cultural Affairs, an organization must become a registered, compliant vendor and meet the City of San José's insurance and Business Tax requirements. "Compliant vendor" means your organization must meet the following: 1) be listed in good standing with the Internal Revenue Service (IRS), which can be verified on the IRS website: <https://apps.irs.gov/app/eos/>); 2) be listed as "Current" status in the California Office of the Attorney General's Registry of Charitable Trusts (<http://rct.doj.ca.gov/Verification/Web/Search.aspx?facility=Y>); and 3) the legal name of the organization must match the name provided in the California Secretary of State website and the organization must be listed as "Active" status <https://bizfileonline.sos.ca.gov/search/business> .

### 8.2 Business Tax Certificate

Successful grant applicants must have a current Business Tax Certificate. Not-for-profit organizations are normally exempt from paying the San José business tax but must apply for the certificate and the tax exemption. Please visit the [City of San Jose's website](#) make sure link works to check on the current status of the Business Tax Certificate.

### 8.3 Insurance Requirements

In addition, successful grant applicants must submit a certificate of insurance satisfactory to the City of San José Risk Management Office for their grant awards to be processed.

**Certificate of Insurance (COI)** is required showing:

- **Commercial General Liability:** minimum \$1,000,000 combined single limit per occurrence for bodily injury and property damage including products and completed operations;
- **Automobile Liability:** minimum \$1,000,000 combined single limit per accident for bodily injury and property damage for all owned, hired or non-owned vehicles.
- **Workers' Compensation and Employers' Liability:** Workers' Compensation as required by State of California, and Employers Liability with a limit of not less than \$1,000,000.

**Endorsements:** The COI must include the following endorsements:

- **The City of San José, its officers, employees, agents, and contractors are named as additional insured.**
- Commercial General Liability and Worker's Compensation: Coverage shall contain a **waiver of subrogation** in favor of the City, its officials, employees, agents, and contractors.

### 8.3 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.

#### **8.4 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.

**#408Creates:** The City of San José 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).



#### **8.5 Audit Posting Requirement**

Organizations receiving a cumulative total of greater than \$290,000 in City grants and subsidies in a single fiscal year are required to undergo an audit at their own expense and post the audit report on the Internet within six months of the end of their fiscal year.

#### **8.6 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.

#### **8.7 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.

#### **8.8 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:

<https://www.sanjoseca.gov/your-government/environment/business-school-resources/for-schools/environmentally-preferable-procurement>

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

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### **9.1 For Cash Flow and Other Loans - Arts Loan Fund**

Loans can be a practical financial tool that, when used properly, signal proactive financial planning. Funders recognize this and know that cash-flow often lags while incoming grants are pending and that performances/special events often require upfront capital to produce. A collaborative program of Northern California Grantmakers, the Arts Loan Fund (ALF) offers quick-turnaround, low-interest loans of up to \$50,000 specifically for nonprofit arts organizations. The ALF also offers loans for facility renovation and capital purchases that support new revenue generation or cost saving initiatives. The interest rate 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/>