

Request for Decision

Arts & Culture Grant Program Eligibility Criteria

Presented To:	Community Services Committee
Presented:	Monday, Nov 18, 2013
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Type:	Managers' Reports

Recommendation

THAT the City of Greater Sudbury adopt, effective January 1st, 2014, the policy attached to the schedule, to replace the policy adopted by Bylaw 2011-293 and that the appropriate bylaw be passed by Council for the 2014 grant allocation process.

Finance Implications

There is currently \$577,000 in the 2014 base operating budget to provide for the arts and culture grant program.

Background

In 2005 the City of Greater Sudbury created the Arts & Culture Grant Program, which recognizes the local arts and culture sector's contribution to the quality of life in the community. In an effort to continually improve the administration of this funding program and the support offered to applicants, an industry scan of best practices has been conducted and feedback was solicited from past proponents. With the guidance of both the Major Arts & Culture Grant Subcommittee of the CGCDC Board and the Community Arts & Culture Grant Advisory Panel, this review has led to drafting revised definitions within the grant eligibility criteria for applicants within the two grant streams.

An overview of the proposed changes is provided in contrast with the existing policy below. Please refer to the attached *Proposed Eligibility Criteria (2014)* for full grant category details.

Industry Scan

A review of other cultural funding streams included the Ontario Arts Council, the Canada Council for the Arts, the City of Ottawa, the Kingston Arts Council (on behalf of the City of Kingston), the City of Thunder Bay, the City of Hamilton and the City of London. For the most part the provincial and federal arts councils distinguish proponents on the basis of artistic discipline, whereas municipalities generally utilize eligibility criteria that encourage growth and innovation through established track records of the organizations, and

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they use “Operational” and “Project” funding to distinguish grant streams.

Past proponents of the CGS Arts & Culture Grants were surveyed to provide feedback on the grant process. The major issues that were identified include:

- Confusion as to whether an organization should apply to the “Major” or the “Community” stream of funding, and how a proponent could move from one stream of funding to the other
- Disproportionate funding requests as compared to grants allocated
- Unclear distinction between projects and operations
- Onerous application requirements for organizations applying for smaller funding amounts (e.g.: under \$3,000)

Proposed Grant Categories

The Major Arts & Culture Subcommittee and the Community Arts & Culture Grant Advisory Panel met to debrief the 2013 intake round of funding. Based on these discussions, as well as feedback collected from grant proponents and from the other funding bodies (including the Ontario Arts Council and the Canadian Council for the Arts) and research on best practices in other municipalities, the information below summarizes updated categories to distinguish the grant streams.

The table compares existing and proposed policy at a high level:

	Existing Policy (2013)	Proposed Changes (2014)
Grant streams	Major and Community Grants	Operating and Project Grants
Funds available	Major Grants – \$496,000 Community Grants – \$81,000	Operating Grants – \$496,000 Project Grants – \$81,000
Grant sub-streams	None	Operating Grants <ul style="list-style-type: none"> • Multiyear • Annual Project Grants <ul style="list-style-type: none"> • Projects with funding requests of \$3,000 or more • Projects with funding requests less than \$3,000
Review/approval process	Major Grants – Recommendations by Major Arts & Culture Subcommittee, ratified by CGSCDC Board Community Grants – Recommendations by Community Arts & Culture Advisory Panel, ratified by Council	Operating Grants – Recommendations by Major Arts & Culture Subcommittee, ratified by CGSCDC Board Project Grants – Recommendations by Community Arts & Culture Advisory Panel, ratified by Council
Organizational structure	Applicant must be an incorporated not-for-profit organization in order to request a grant of \$3,000 or more	Operating Grants (Multiyear and Annual) – Applicant must be incorporated as a not-for-profit organization and must have been in existence for at least three years (five for Multiyear Operating Grants) Project Grants \$3,000 or more – Applicant must be incorporated as a not-for-profit organization

		Project Grants less than \$3,000 – Incorporation not required
Required track record	None required	<p>Multiyear Operating Grants – Applicant must have successfully obtained five sequential years of Annual Operating Grants</p> <p>Annual Operating Grants – Applicant must have received at least three Project Grants* of \$3,000 or more within the past five years</p> <p>Project Grants \$3,000 or more – Applicants must have received at least two Project Grants* of less than \$3,000 in the past</p> <p>Project Grants less than\$3,000 – None required</p> <p><i>*Project Grants may include other CGS funding such as Tourism Event Support or Healthy Communities Funding</i></p>
Ineligible expenses	Capital or deficit funding and expenses associated with personal use items	<p>Capital or deficit funding and expenses associated with personal use items</p> <p>Direct remuneration to the applicant</p>
Exclusions from eligibility	<p>Organizations that:</p> <ul style="list-style-type: none"> ● Act as funding bodies or training/educational institutions ● Are in default to the City for unpaid accounts or unsatisfactory reporting 	<p>Organizations that:</p> <ul style="list-style-type: none"> ● Act as funding bodies or training/educational institutions ● Are in default to the City for unpaid accounts or unsatisfactory reporting ● Receive 80% or more of its funding from government sources

Conclusion

The proposed grant eligibility criteria for the Arts & Culture Grant Program seek to address the need for clear succession and future planning for growing organizations. Feedback on the process will be collected on an ongoing basis. Updates to this policy may be required periodically to reflect the changing realities within the local arts and culture sector.

Guidelines will be made available to proponents outlining the application and response process, evaluation criteria and eligibility criteria.

As always stakeholders are encouraged to meet with staff individually to review the process and access additional resources.

Greater Sudbury Arts & Culture Grant Program Policy

Background

The City of Greater Sudbury Council approved the creation of the City's Arts & Culture Funding Program in 2005. The City of Greater Sudbury Arts & Culture Grant Program was established to invest funds into the local arts and culture sector, which is a contributing factor to the quality of life in our community.

The City also developed an *Arts & Culture Charter and Strategy* in 2006 to create a vision statement, guiding principles, goals and recommendations to foster growth and development of the arts and culture sector in Sudbury. The *Arts & Culture Strategy* also includes definitions pertinent to the arts and culture sector and plays an important role in guiding staff and City Council on the arts and cultural services to be developed for our community. In addition, the Cultural Planning process of 2013-2014 seeks to revisit priority areas of the sector and create a strategic plan that engages the community in its implementation plan.

The broad goals of the *Charter and Strategy* are to create;

- A community that is committed and supportive of arts and culture
- A community proud of its character and heritage
- A community that values the economic potential and contribution of the arts
- A community that nurtures innovation and creative expression
- A community that promotes strong collaborations and communication

Furthermore, a thriving and sustainable arts and culture sector has been identified as an economic engine in the Economic Development Strategic Plan, *Digging Deeper* (2012). The City of Greater Sudbury commits to setting a long-range goal of increasing spending in the arts as a percentage of total annual spending. The City's economic development division, the City of Greater Sudbury Community Development Corporation (CGSCDC), has been administering the application process for the Greater Sudbury Arts & Culture Funding Program since 2005. In 2013 this fund totaled \$577,000.

The program is intended to recognize the contribution of arts and cultural institutions, special events and projects to the quality of life in Greater Sudbury. It acknowledges that, while these institutions and organizations provide significant benefits to our community, they generally do not have the capability to be financially self-sustaining. In order to ensure their continuity and continuing benefit to the community, it is appropriate for the City to provide direct financial support and to encourage additional support from citizens, other levels of government, and the private sector.

It is anticipated that additional amendments to this policy and application forms may be required during the course of implementation to reflect organization needs and changing demand from the arts and culture sector.

Eligibility Criteria

Grants fall within two streams and are administered separately as follows:

Project Grants

- Reviewed by the Community Arts & Culture Advisory Panel and ratified by Council
- Total funds available in 2013 were \$81,000

“Projects” may include (but are not limited to):

- Special/one-time activities including exhibits, performances or specific aspects of festival participation (e.g.: website development, ticketing system, etc).
- Training and development for skills upgrading within the organization for the benefit of the community (capacity building).
- Acquisition of equipment necessary for the ongoing development of the organization (e.g.: point-of-sale system), which does not include equipment that must be replenished each year.

Operating Grants

- Reviewed by the Major Arts & Culture Subcommittee and ratified by the City of Greater Sudbury Community Development Corporation Board
- Total funds available in 2013 were \$496,000

“Operating Grants” support organizations that have an ongoing presence in the City of Greater Sudbury and an established track record of successfully providing quality programming and/or services. Only organizations that have a sequential five year track record in Annual Operating Grants may apply for Sustaining Operating Grants.

Exclusions for all streams

An application may be considered ineligible if:

- The applicant has submitted another application to the Arts & Culture Grant Program that year.
- The organization receives 80% or more of its funding from other government sources.
- The organization acts in the capacity of a funding body for, or makes grants to, any other group or organization that is/will also be funded by the City (e.g.: a foundation whose core mandate is fundraising).
- The funding is intended to support organizations that are primarily training or educational institutions.
- Its proposed activities duplicate support provided by the City of Greater Sudbury directly.
- The request includes capital or deficit funding.
- The applicant is in default to the City due to failure to report satisfactorily for previous grants, failure to refund grant overpayments or due to unpaid accounts.
- The applicant (including board members) receives direct remuneration as a result of programming.

Project Grants

Project Grants under \$3,000

The applicant must:

- Be an incorporated not-for-profit arts/culture organization or an unincorporated arts/culture organization/collective that is headquartered in the City of Greater Sudbury. Requests from

organizations whose primary mandate is not arts/culture may be considered if the project demonstrates a significant arts/culture component that enhances community access or promotes the development of the arts/culture sector. The organization must maintain a clear distinction in programs and budgets between the organization's ongoing activities and its arts/culture project.

- Have a stable volunteer/staff base in place to carry out activities (i.e.: demonstrate governance structure and partners).

Project Grants of \$3,000 or more

The applicant must:

- Be an incorporated not-for-profit arts/culture organization that is headquartered in the City of Greater Sudbury. Requests from organizations whose primary mandate is not arts/culture may be considered if the project demonstrates a significant arts/culture component that enhances community access or promotes the development of the arts/culture sector. The organization must maintain a clear distinction in programs and budgets between the organization's ongoing activities and its arts/culture project.
- Have a stable volunteer/staff base in place to carry out activities (i.e.: demonstrate governance structure and partners).
- Have an independent and volunteer board of directors that meets regularly and does not receive financial remuneration for this project.
- Have received a minimum of two small project grants (less than \$3,000) in the past and an established record of success.
- Submit financial statements for the applicant organization that are in line with the generally accepted accounting procedures (GAAP).

Regardless of the amount requested, **projects must:**

- Have a distinct start and end date within the calendar year for which the grant is provided.
- Have specific deliverables based on the project.
- Benefit the residents of the City of Greater Sudbury as laid out in the current *Arts & Culture Strategy*.
- Fit within a realistic budget (contact staff to inquire about realistic request levels and expenses for the specific project), and have sources of funding other than the City of Greater Sudbury. Organizational surpluses and reserves will be examined. When a surplus with a value in excess of three months operating expenses exists, further justification is required.
- Demonstrate a willingness to cooperate with related groups in the community.

Operating Grants

Annual Operating Grants

The applicant must:

- Be an established and incorporated not-for-profit arts/culture organization that is headquartered in the City of Greater Sudbury with arts/culture as its primary mandate.
- Have been in existence for at least three years providing regularly scheduled artistic/cultural programming to the community.
- Outline its services with specific deliverables that benefit the residents of the City of Greater Sudbury as laid out in the current *Arts & Culture Strategy*.

- Demonstrate a willingness to cooperate with related groups in the community.
- Have received minimum of three Project Grants or other municipal funding (e.g.: Tourism Event Support, Community Economic Development Funding, etc.) within the past five years, each totaling \$3,000 or more.
- Have received recognition for excellence in their artistic/cultural discipline (e.g.: in the form of peer support, awards, media, etc).
- Have an independent and active governing board of directors composed of volunteer board members.
- Demonstrate a considerable volunteer component.
- Have employment practices that comply with applicable legislative requirements, such as the Employment Standards Act of Ontario, the Pay Equity Act of Canada and the Ontario Human Rights Code.
- Demonstrate financial stability for at least three consecutive years as well as the need for the requested funding and provide evidence that funds are confirmed/projected from a variety of other sources are clearly stated in the application (i.e.: donations, sponsorships, user fees, other government sources). Organizational surpluses and reserves will be examined. When a surplus with a value in excess of three months operating expenses exists, further justification is required.
- Requirements for financial statements (through CADAC) are dependent on the level of the request:
 - \$25,000 or less requires a financial statement approved and signed by two board members other than the Treasurer;
 - Over \$25,001 requires a Notice to Reader financial statement provided by an independent, professionally designated accountant;
 - Over \$50,001 requires a Review Engagement financial statement provided by an independent, professionally designated accountant;
 - Over \$100,001 requires an Audited financial statement provided by an independent, professionally designated accountant.

Sustaining (Multiyear) Operating Grants

In addition to fulfilling all requirements outlined for Annual Operating Grants, the applicant must also:

- Have at least five years of successfully completed Annual Operating Funding from the City of Greater Sudbury.
- Outline future planning (i.e.: an established strategic plan), including activities with a funding term of three years.
- Submit a comprehensive post-project report annually during the term in order for funding to be renewed on a rolling three-year basis. Where practical, this may include a presentation and/or site visit.

Proponents to the “Sustaining” Operating Grants are subject to evaluation and approval prior to submitting a full application. Approved multi-year funding will be guaranteed at 90% of the amount requested, with the remaining 10% subject to volume and quality of the other applications received in every year of eligibility.

Eligible Expenses for Operating Grants

The costs incurred to deliver the organization’s programs and services, such as:

- Employee compensation and development
- The space in which the organization operates and related expenses (e.g.: rent, insurance, utilities, maintenance)
- Fees related to operations (e.g.: marketing, legal, accounting, etc.)
- Non-capital program and office equipment and supplies necessary for the on-going operation and development of the organization

Ineligible Expenses

- Capital costs (e.g.: expenses incurred on the purchase of land, buildings, construction, etc)
- Deficit funding (i.e.: funds intended to be used to cover and/or increase the organization's deficit position)
- Equipment or expenses for personal use (e.g.: uniforms, instruments, travel, etc)

Note: Decisions regarding the Arts & Culture Grant Program are made by the Major Arts & Culture Subcommittee and by the Community Arts & Culture Grant Advisory Panel. Some exemptions to the eligibility criteria may apply and are at the discretion of the respective review committees. Please contact staff should you have any questions.

Terms and Conditions

The terms and conditions below are to be referenced in the funding agreements. The funding agreements require successful applicants' signatures prior to the release of funds and form a legally binding agreement between the applicant and the City of Greater Sudbury.

1. Grants shall only be used for the purposes outlined in the letter of approval and any attachments thereto. Changes in the proposal shall only be made with the City's written approval. Any unused portion of the Grant remains the property of the City of Greater Sudbury.
2. Applicants in default to the City due to failure to account in a satisfactory manner for previous Grants, or to refund Grant overpayments, will not be eligible for consideration.
3. Applicants must identify any funds for this project derived from the disposal of an asset previously purchased with assistance from City of Greater Sudbury funds. The Recipient shall not sell, lease or otherwise dispose of assets purchased in whole or part with City Funds, without the prior written consent of the City.
4. Groups obtaining grants for equipment must provide an undertaking that the equipment will become the property of the City of Greater Sudbury in the event that the groups disband.
5. The grant application must be complete to be considered.
6. All applicants must submit a Post Project report by the date indicated in the letter of approval. Failure to provide a Post Project report will forfeit the ability to apply the following year.
7. All grant recipients must provide yearly financial statements. Audited statements are required if available and in accordance with the requirements outlined above.
8. The applicant organization shall submit any further pertinent information as may be required by the Arts & Culture Grant Advisory Panel and/or the City.
9. The City shall be entitled to impose additional terms and conditions in its letter of approval, at its discretion.
10. Granting of assistance in any one year or over several years is not to be interpreted as a commitment to future year's funding. Grants are not automatically awarded based on previous

year's applications. Continuation of multiyear funding agreements is conditionally based on successful completion of deliverables laid out in the previous year's funding agreement.

11. Neither the Applicant nor the Recipient shall assign its application or Grant, respectively, without the prior written consent of the City.
12. Recipients must acknowledge the support of the City of Greater Sudbury by using the City of Greater Sudbury logo on all forms of communication related to the activity for which they were funded. This includes advertising, information documents, websites and other electronic communications.
13. The Recipient shall keep and maintain all records, invoices and other documents related to the Grant in a manner consistent with generally accepted accounting principles and clerical practices, and shall maintain records for a period of three (3) years. The Recipient authorizes the City and its agents at all reasonable times to inspect and copy any records, invoices and documents relating to the Grant, in the possession, or under the control, of the Recipient.
14. The Recipient agrees that the City shall not be liable for any damages including, but not limited to, general, incidental, indirect, special or consequential damages, injury or loss of use, revenue or profit of the Recipient arising out of or related to the organization or its activities, unless it was caused by the negligence or willful act of an employee of the City.
15. The Recipient shall, at the request of the City, repay to the City the whole or any portion of the Grant if the Recipient:
 - ceases operating;
 - has knowingly provided false information in this application;
 - uses the funds for purposes other than those detailed in the attachments thereto;
 - breaches any of the terms and conditions of this Agreement;
 - breaches any of the provisions of the Human Rights Code, in the operation of this project;
 - commences, or has commenced against them, any proceeding in bankruptcy.

Where required, the Grant shall be repaid by cheque, payable to the City of Greater Sudbury and mailed to:

City of Greater Sudbury

Tourism and Culture Section
PO Box 5000 Station A
200 Brady Street
Sudbury, Ontario
P3A 5P3

Evaluation Criteria

Organizations will be evaluated based on their ability to meet the following evaluation criteria which measure the quality of the organization's programming, the ability to deliver and the outcome of the organizations project or plans. The evaluation also provides a method of identifying areas of weaknesses and strengths for guidance purposes.

The current Arts & Culture Strategy, the Economic Development Strategic Plan and the Cultural Planning process seek to identify priority areas for municipal investment in the local arts and culture sector.

Applications will be evaluated on the basis of the following criteria:

Organizational & Financial Health

For Operating Arts & Culture Grants, many of these criteria are informed by the financial information submitted through the CADAC (Canadian Arts Data / Données sur les arts au Canada) system.

- Revenue stream shows stability and growth.
- There is a demonstrable positive impact in the arts and culture community stimulating economic development and cultural tourism opportunities.
- There is an available market for the programs or events being offered.
- There is financial stability and accountability and the budget for the request for funding is reasonable and realistic.
- The Applicant demonstrates initiative and success in generating revenue other than municipal funding and encourages partnerships with a clear relationship between and among the partners.
- There is a clear mandate, competent administration and effective governance structure.
- There is a demonstrated need for financial assistance from the City and the current proposal is well planned and achievable.

Artistic/Cultural Merit

- The Organization has demonstrated standards of artistic/cultural achievement and excellence in past activities.
- The Applicant demonstrates innovation and creativity in its programming and activities.
- The proposed project/activity is distinct and innovative in the context of comparable activities in the City of Greater Sudbury and there is a demonstrated need.
- The project/activity encourages and provides unique opportunities for artists, other arts and cultural organizations and the public.
- The Organization's artistic or cultural activities have an impact on group or individual artistic or cultural development in the community through factors such as; the promotion of local talent and its expression; the introduction of all ages to arts and culture; the efforts and effects in encouraging an arts or community career.
- Members of the arts and culture community are included in the planning of the project.
- There is a level of engagement with local arts organizations, artists and community groups.
- The project/activity meets the objectives of the City of Greater Sudbury's Arts & Culture Strategy.

Community Impact

- The Applicant's activities are directed to the improvement of the quality of life in the City of Greater Sudbury.
- Public access to the work is a priority including access to the City of Greater Sudbury's diverse communities.
- The Organization has the appropriate marketing and publicity plan in place for its activities or work, reaching out to community audiences.
- There is substantial and/or growing public interest and attendance for the activities or work, stimulating wider appreciation of the City's arts and cultural heritage.

Grant Review Process

Guidelines will be provided to applicants outlining the application process, including the intake process; roles and responsibilities of staff and Subcommittee/Panel members in terms of the initial review, due diligence and recommendations; allocation of funds and funding agreements as well as reporting requirements and public recognition of support. These guidelines are subject to Subcommittee/Panel review and will be made available through the CGS and CGSCDC websites.

Definition of Terms

Applicant means the organization which submits this application to the City of Greater Sudbury.

City means the City of Greater Sudbury.

Recipient means the applicant organization which has submitted this application, has agreed to be bound by these terms and conditions, and has been awarded an Arts & Culture Grant by the City of Greater Sudbury.

Funding Agreement is an agreement entered into by the Applicant and the City at the time of grant dispersal which binds the Applicant to complete the activities as laid out in the application submitted and as agreed to in consultation with the city.

Arts and Cultural Organization is a not-for-profit group whose mandate is of an arts and cultural nature.

Arts encompasses the broad areas of visual arts including painting, drawing, sculpture and architecture, material arts and crafts such as ceramics, design carving and fiber arts, performing arts such as theatre, dance and music, literature such as fiction, poetry and dream, media arts such as photography, video and film and interdisciplinary arts.

Culture which consists of learned ways of acting, feeling and thinking is a term used to describe the way of life of a people. It includes all the traits and elements that distinguish a given society, its identity and its vision of the world. It includes our values, beliefs, customs, language, lifestyles and traditions.

Arts & Culture Industry refers to the relationship between culture and the economy.

Business Plan - A blueprint and communication tool for any organization. It is comprehensive in reflecting goals and objectives and how they are expected to be reached. It clearly outlines what and how and from where the resources to accomplish the goals and objectives will be acquired and utilized. It typically covers a period between three (3) and five (5) years.

Capital Costs - Money spent for replacing and improving business facilities.

Contact Information

If you have any questions regarding the Arts & Culture Grant Policy, please contact:

Emily Trottier, Business Development Officer
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Tourism and Culture Section
Tel: (705) 674-4455 ext. 4429
Fax: (705) 671-6767
Email: Emily.Trottier@GreaterSudbury.ca