

**NEW YORK CITY  
DEPARTMENT OF CULTURAL AFFAIRS**

**PROPOSAL GUIDELINES  
FOR PUBLIC SERVICE AWARDS**

The Department of Cultural Affairs (DCA, or the Department) is pleased to announce revised Program Guidelines for nonprofit New York City arts and cultural organizations for Fiscal 2008. Through the significantly expanded Cultural Development Fund (CDF), DCA will support public services provided by the city's arts and cultural organizations. Funds will be awarded based on review by a panel of peers in the field as well as representatives of elected officials. Recommendation of funding is based in part on the level of detail that constitutes the proposal package, including the Application form and all submitted materials, as well as a critical evaluation of the organization's track record in presenting relevant projects.

DCA will consider proposals in every cultural discipline and from every area of the city. The fundamental requirement for all proposals is that there be a cultural activity of recognized quality accessible to the public. The funded services can be as different as the organizations providing them, but they will all have a common commitment to the theme of public service. The key objectives of the Department in supporting cultural services include public access, artistic creation and dialogue, arts-in-education, services to the field, preservation and stability, and audience development. All proposed services should attempt to promote public participation in a manner appropriate to the project. Finally, the services must occur within the City's fiscal year 2008 (July 1, 2007- June 30, 2008). Any activity before July 1, 2007 or after June 30, 2008 cannot be considered for funding.

Types of services for which DCA will award funds:

The following are examples only of the kinds of services that DCA has funded in the past and by no means represent the entire range of possible services:

- Public Access:
  - Programs for culturally underserved populations
  - Lecture-demonstrations and workshops
  - Open rehearsals
  - Maintenance and subsidy of low admission prices
  - Free activities or events
- Creation of new work and/or restoration of existing work, for public presentation
- Arts in Education programs in public schools or on site
- Community based arts activities
- Services that assist New York City's artists and arts organizations
- Training programs
- Cultural programs offered by social service organizations with a longstanding history of providing such services

Activities that we cannot or generally will not fund:

- Activities taking place outside of New York City
- Fundraising events and receptions
- Construction or renovation of facilities (covered under DCA's Capital Unit)
- Programs of City, State or Federal Agencies
- Programs by degree-granting institutions
- Programs provided by organizations for which cultural activity is not a primary mission
- Individual artists

While applicants request and are evaluated on their public services, funds received from DCA can be used to cover any costs included in the project budget for those services. However, DCA support will be limited to no more than 50% of an organization's proposed service/s (i.e., project budget) and usually does not approach that level of support.

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### PROPOSAL PROCESS

Any arts or cultural organization interested in receiving a program award from the Department of Cultural Affairs during Fiscal Year 2008 (July 1, 2007 - June 30, 2008) must complete the enclosed Public Service Award form. **Please note that the deadline for submitting an Application this year has been moved forward by four months: All proposals must be received by 6 p.m. or postmarked no later than Monday, March 26, 2007. The Department will make no exceptions to this deadline.** Facsimile or electronic submissions cannot be accepted. All applicants will be mailed confirmation of receipt of their proposal and their application log number as soon as the application has been processed. If you need confirmation earlier, please either hand deliver your Application, mail it return receipt requested, or enclose a pre-stamped postcard which we will return as your Application is opened.

This year, we have added an Intent to Apply and request that all organizations intending to submit an Application first file an Intent to Apply **as soon as possible, but no later than March 26, 2007**. The Intent to Apply is a one-page form on DCA's website ([www.nyc.gov/culture](http://www.nyc.gov/culture)) that provides contact information for you and the organization, a brief organizational budget history, the borough in which you expect your primary activities to take place, and the primary discipline in which you expect to provide services. DCA will use the Intent to Apply to begin to build a database of applicants prior to receipt of their actual Applications. Organizations can revise the information should their plans change between the time it is filed and March 26, when the Application itself is due. If information is revised, the applicant should indicate that in the appropriate section on page 1 of the Application. DCA will use the most current information provided.

### ELIGIBILITY - LEGAL REQUIREMENTS

#### Proof of Nonprofit Status:

All nonprofit arts and cultural organizations that are located in any of the five boroughs of New York City, incorporated under New York State law and certified tax exempt under Internal Revenue Service Code Section 501(c)(3) are eligible to request program funds, except as noted under Use of a Conduit, below. Registration with the New York State Office of Charities Registration is not sufficient indication of nonprofit status.

#### Use of a Conduit:

At the Department's discretion, proposals may be accepted from IRS-certified nonprofit organizations that are willing to serve as conduits for other organizations that intend to provide public service but do not have 501(c)(3) status. In such an instance, the organization providing the public service must itself be incorporated under New York State law and must submit a fully completed proposal (Sections I through VII) along with the following supplementary documents:

- Proof of nonprofit status from organization providing the service/s;
- Sections I, IV and VII completed by the conduit organization;
- Letter outlining the reasons for submitting a proposal through a conduit;
- Letter of agreement from the conduit organization stating under what terms and conditions they will act as your agent;
- Conduit organization's IRS 501(c)(3) determination letter, board list, staff list and most recent audited financial statement (see proposal form, p.9);
- Clearly marked on all the above documents: "[Name of Conduit organization] FOR [Name of your organization]".

Ineligible:

The following organizations, groups, institutions and individuals are ineligible or eligible only as noted:

- Organizations receiving funding through the Institutions Unit of the Department of Cultural Affairs are ineligible for public service awards.
- Schools, colleges, universities, and libraries are ineligible for direct support. Cultural organizations housed at such institutions or separately incorporated arts centers may be eligible at the discretion of the Department.
- Agencies and departments of city, state and federal government are ineligible.
- Individual Artists

**NOTE:** Organizations with a primary purpose other than arts and culture (such as social service organizations) will be considered only if they have a record of successful delivery of cultural services. Organizations that are not specifically cultural but have a longstanding commitment to cultural programs will be reviewed according to the operating income of the cultural component of its budget.

**CRITERIA**

Organizational Criteria:

1. The organization must:
  - a. Meet the legal and organizational eligibility requirements noted above;
  - b. Demonstrate fiscal responsibility and administrative competence; and
  - c. Be of recognized quality in the discipline within which it operates for the service being proposed.
  - d. Be in existence and providing public services for no less than two years before applying for DCA funding. Only in the rarest instances will public service funds be awarded to an organization without the a record of prior cultural service. Such an exception might occur when it is determined that the needs of an underserved area or community can only be addressed through the creation of a new organization or through supporting an emerging community-based group capable of providing quality services.
2. Based on its Fiscal 2005 Operating Budget, the organization must provide the following financial documentation:
  - Under \$25,000: most current Financial Statement (signed by Treasurer)
  - \$25,000 or over: most current IRS 990
  - \$100,000 or over but less than \$250,000: most current IRS 990 and Independent Accountant's Review Report
  - \$250,000 or over: most current IRS 990 and Audited Statement.

In some instances, the Department may require an audited statement from organizations with lesser budgets.

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#### Program Criteria:

1. The proposed project must include as a principal goal a demonstrable cultural activity of recognized quality accessible to the public.
2. The proposal must be clearly stated and contain measurable goals that can be evaluated during and at the end of the term of the award.
3. Proposals must be within the organization's artistic/cultural, administrative and fiscal capabilities.
4. The project budget must include significant other financial resources. DCA support will be limited to no more than 50% of the project budget. A funding mix that includes foundation and corporate support, other government support, private contributions, and earned income (where appropriate) is desirable. Artists' fees must be of a level consonant with a professional wage.

## SELECTION AND REVIEW PROCESS

In Fiscal 2003, DCA created a competitive fund open to all organizations not line-itemed in the City's Executive Budget. That fund, the Cultural Development Fund, or CDF, took the place of the former borough Arts Development Fund (ADF) and competitive Program Development Fund (PDF) process. For Fiscal 2008, the CDF has been greatly expanded, and will be a competitive awards program open to all eligible cultural organizations that are not members of the Cultural Institutions Group (CIG). To be eligible for funding, all applicants must meet the organizational and programmatic criteria established by the Department, and must comply with the agency's deadline for submitting proposals. This year's deadline is **Monday, March 26, 2007**. The Department will make no exceptions to this deadline.

For Fiscal 2008, DCA will award Program funds through the Cultural Development Fund to organizations that go through a competitive panel review during May and June, 2007. All organizations will be evaluated based on the organizational and programmatic criteria stated earlier in these Guidelines. If the proposal is from a previously funded organization, past performance is also considered. DCA staff may also conduct program audits. Information regarding upcoming activities should be provided to the Program Services Unit on a regular basis and Program Services staff should be extended an invitation to view the work. Organizations may also be required to provide additional information after the original proposal has been submitted.

Organizations will be evaluated on either a borough-specific basis or a discipline basis depending on their Fiscal 2005 operating income:

**An organization with an operating income of \$250,000 or less** in its Fiscal Year 2005 will be reviewed by a borough-specific panel comprised of representatives from the field as well as a designee of the City Council and of the Borough President. The panel will be charged with considering all the services proposed by the applicant organization, including those services being provided in boroughs other than the primary borough designated by the applicant. Where volume requires, Applications may be further sorted by discipline within the borough.

**An organization with an operating income of greater than \$250,000** in its Fiscal Year 2005 will be reviewed by a discipline-specific panel comprised of six representatives from the field and a designee of the City Council. Where volume requires, applicants may be further grouped or sorted.

Each year, the Mayor issues a Preliminary Budget in January as one of the first steps in the City's annual budget process. The Preliminary Budget contains proposed allocations for each agency, including the Department of Cultural Affairs, listed in summary form. Following public hearings before the City Council and the Borough Presidents, the Mayor's Executive Budget is issued in late April. Thereafter, additional public hearings are held before the City's elected officials. The final budget is then adopted by the City Council in June, signed into law by the Mayor and certified by the Comptroller and City Clerk.

Organizations seeking Member Item support through the City Council must also meet the Application deadline of **March 26, 2007**. Organizations awarded Member-Item support will be notified of that support, which will be incorporated into the applicant organization's grant Agreement for Fiscal 2008 once the City's Budget has been reconciled. All organizations awarded support will be notified as soon as the Fiscal 2008 City Budget is finalized.

## FUNDING LEVELS

For organizations with an FY05 operating income of \$250,000 or less:

The minimum award for public services will be \$5,000 in Fiscal 2008, requiring total project cost/s of \$10,000. Organizations with projects costing less than \$10,000 are encouraged to apply directly to their local arts council regrant program. Maximum support for organizations with budgets at this level will be \$50,000. In previous years, few awards have been made at the maximum level of support. All funding is awarded for one year with no guarantee of renewal.

For organizations with an FY05 operating income of greater than \$250,000:

The minimum award for public services will be \$15,000 in Fiscal 2008, requiring total project cost/s of \$30,000. Maximum support for organizations of this budget size will be \$300,000. In previous years, few awards have been made at the maximum level.

It is DCA's intent that organizations with incomes over \$250,000 will apply for support once every third year and will be awarded funds for a three-year period. However, in the first years of the expanded CDF process, not all funded organizations will receive multi-year awards. For Fiscal 2008, funding in this category may be for a one or a two year period. Organizations awarded funding for Fiscal 2008 and 2009 on the basis of their 2008 Application must comply with DCA's reporting procedures in order to receive funds in 2009, and such funding is premised on a stable level of support to DCA in the City's Executive and Adopted 2009 Budget.

For organizations awarded multi-year funding, the panel's recommended funding level will be the level of support in each year of the award term (e.g., \$30,000 each year if the panel recommends \$30,000), provided the applicant organization reports appropriately on the expenditure of public funds and the agency's budget remains stable.

**NOTE:** Organizations that had received Line-Item support in Fiscal 2007 will be evaluated in one of the two categories above based on the organization's FY05 operating budget, and will be informed of the outcome of the panel recommendation. These 172 organizations will receive separate notification of their current Line-Item. For Fiscal 2008, Line-Items will receive the current Line-Item amount or the allocation recommended by the panel, whichever is greater. For all future years, former Line-Items will receive the allocation recommended by the panel.

## APPEAL PROCESS

Any organization considered for competitive support is free to contact the Program Services Unit for an explanation of funding awarded or to find out why the proposal was declined. If, thereafter, an organization believes it has been rejected unfairly, the organization is entitled to submit a written appeal within 21 days of the date of the notification letter. The organization's appeal must set forth reasons why the organization believes reconsideration is appropriate. Specific deadlines established for the appeals process will be adhered to, and failure to respond in accordance with those deadlines will invalidate the appeal. The grounds for reconsideration are:

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Non-presentation of information: Information available in the proposal prior to the panel review was not presented and might have altered the outcome of the decision; or

Misrepresentation of information: Information known prior to the panel review was not appropriately interpreted and, if presented differently, might have altered the outcome of the decision.

Once an appeal is received, it will be reviewed by the Commissioner and sent on to the Unit's Assistant Commissioner for comments and recommended action. The Commissioner, who will render a final decision within 30 business days of receipt of the appeal, considers the recommendations of the Unit. The Commissioner's written determination is final, and will be sent to the organization making the appeal.

## **GRANT ADMINISTRATION AND LEGAL REQUIREMENTS**

Currently, DCA is administering over 750 public service grant Agreements annually, and this process requires a considerable amount of time to complete. Additionally, other City agencies may be responsible for reviewing and approving these Agreements. When an organization is allocated funds, the Department prepares a grant Agreement with the organization based on the proposal for public service submitted by the organization. A person from the organization who has signatory authority then signs the grant Agreement. All groups receiving City support through DCA must comply with all pertinent City, State and Federal legal requirements, and we will notify organizations separately of particular applicable regulations. Every applicant should plan to comply with the following requirements:

### Insurance:

Organizations are required to carry adequate insurance (including but not limited to Comprehensive General Liability, property damage, workers' compensation and disability), and are required to name the City as an insured party in any policy, and submit a certificate of insurance for such policies to the Department for verification that coverage is adequate before receiving funds. See Section IV.b. of the Application.

### Americans with Disabilities Act Compliance:

Every funded organization is expected to comply with the Americans with Disabilities Act (ADA), passed in 1990.

## **CREDIT**

In 2006, DCA unveiled a new logo and all organizations funded in FY08 are required to use the updated logo. Groups will be informed about how to obtain the agency's logo upon notification of award.

All programs, brochures, flyers, posters, announcements or similar matter relating to services funded by DCA are also required to include, in a legible manner, in appropriate type size and without abbreviation, the following statement: "This program is supported, in part, by public funds from the New York City Department of Cultural Affairs."

In addition to the logo and credit line stipulated, any printed list of contributors to a program or service funded by DCA, either alphabetical or by contribution category, is required to include the New York City Department of Cultural Affairs.

## **PAYMENT**

Every grant Agreement includes a payment schedule that is based on the services provided and associated costs. Funds will be released according to that schedule. However, funds will not be available until after the start of the fiscal year, and organizations that have been designated to receive funds are expected to move forward on their projects in advance of receipt of funding.

For organizations that have a strong prior history of satisfactory performance, the Department expects to provide up to 80% of awarded funds as soon as feasible after the start of the fiscal year. Organizations without such prior records will receive payment on a reimbursement basis. Every organization must report on its use of public funds provided by DCA according to a schedule established by the Department and on the forms provided by the agency. Final payment is based on submission of a Payment Request form, accompanied by supporting documentation. Organizations that do not comply with reporting requirements in a timely manner may lose both current year funding and future funding.

## **PERFORMANCE EVALUATION**

Because the Department awards public funds, the expenditure of those funds is required by law to be monitored in order to determine whether they are being spent in accordance with the terms of the grant Agreement. DCA bases its evaluation of performance on the quality and timeliness of the documents submitted, as well as on site visits and program reviews. The prior year's performance record may be a determining factor when considering future funding.

## **LEGISLATIVE NOTIFICATION**

We urge each organization to keep its elected and appointed representatives in City government informed of its activities. The City Council, the Borough Presidents and other elected officials are critically important to the process of funding cultural organizations. In addition, each of the 59 Community Boards plays an advisory role both in the City budget process and in the coordination of municipal services. Since what organizations are offering through this proposal is a municipal service, and since the Department's budget is established through the same process as all City agencies, DCA suggests that copies of this proposal be given to the Council persons, Borough Presidents, and District Managers of the Community Boards representing the districts and boroughs that the organization serves. Contact information for all elected officials can be found at the Council's website, [www.nyccouncil.info](http://www.nyccouncil.info).

**FURTHER QUESTIONS** regarding the funding process can be answered by attending the seminars conducted in conjunction with the proposal process (see the schedule at the front of this booklet), or by calling the Department of Cultural Affairs' Program Services Unit at 212-513-9346 or -9350.