

FY 2017 Guidelines

NEW JERSEY CULTURAL TRUST GRANTS

Arts Institutional and Financial Stabilization

The New Jersey State Council on the Arts is pleased to announce that the guidelines and application forms for New Jersey Cultural Trust grants to support Arts Institutional and Financial Stabilization Projects are now available. This is an important program to enable our state's nonprofit arts organizations become stronger by achieving greater financial and operational stability and building their capacity to advance their work and impact.

Alternating grant cycles with the Historic Commission and the Historic Trust, the Council collaborates with the Cultural Trust to further advance and strengthen New Jersey's arts community.

Important dates for this grant program are as follows:

- **May 4, 2016** – Notice of Intent ([SAGE](#)) and guidelines released to the field
- **June 15, 2016** – Notice of Intent is due (required but non-binding)
- **June 22, 2016** – Application available in [SAGE](#)
- **August 3, 2016** – Applications due from eligible applicants
- Sept/October 2016 – Council will convene peer panels, craft recommendations
- Nov/December 2016 – Cultural Trust will take action on and announce grants
- **January 1, 2017 to December 31, 2017** – Grant period for successful projects

The New Jersey Cultural Trust utilizes the System for Administering Grants Electronically (SAGE) for submission of all grant applications. If you are registering in [SAGE](#) for the first time, please note it takes up to 72 hours for an account to activate.

The guidelines contain information on how qualified organizations can apply for funding. A Notice of Intent to Apply is **required** for all those interested in applying. Applications not preceded by a Notice of Intent to Apply by the deadline will not be accepted.

In order to be eligible to apply for funds from this program, organizations must first be designated “qualified” by the Cultural Trust.

The information and application required for qualification are available directly from the Cultural Trust website or by calling 609-984-6767. Organizations not yet qualified are urged to complete the application process as soon as possible to ensure eligibility. Applications for qualification must be received at the Cultural Trust office by July 1, 2016 in order to be considered in time for the August 3, 2016 application deadline.

Collaborative proposals and those on behalf of multiple organizations are encouraged.

Applicants interested in submitting a collaborative proposal are encouraged to discuss their ideas or any questions with Council staff. You may contact Tammy Herman, Program Officer - Organizational Support at Tammy.Herman@sos.nj.gov or 609-292-4435.

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Arts Institutional and Financial Stabilization

**This funding program is collaboratively administered by
The New Jersey State Council on the Arts with
The New Jersey Cultural Trust**

Background: The New Jersey Cultural Trust was established by law in July 2000 to develop a permanent source of additional funding for arts, history and humanities organizations to help them achieve greater financial and operational stability in order to improve their service to the public. The *Cultural Trust Act* created a Trust Fund, the interest earnings of which may be awarded as grants to support capital projects, endowments, and institutional and financial stabilization of *qualified* organizations. The Act directs the New Jersey State Council on the Arts, the New Jersey Historical Commission and the New Jersey Historic Trust to design and administer programs that recommend projects to the Cultural Trust for such grants.

The Cultural Trust Act intentionally defines the term “Institutional and Financial Stabilization” very broadly. The goal is both to assist groups in addressing financial and operational challenges that threaten stability **and** to help build greater operational capacity to manage and advance their work and achieve their missions. The strategies and projects that can accomplish this are as diverse as the organizations themselves; however, this grant program does **not** provide support for public programs, productions, exhibitions, or other types of arts events or activities, or general operating support. Applicants must demonstrate that they have clearly identified a stabilization challenge or advancement issue, and that they are proposing an appropriate specific strategy to address it and achieve goals that will produce significant and sustainable results.

What follows are examples of some of the more common challenges to stability and capacity building and ways of addressing them. They do not define the range and nature of possible fundable projects and are offered only as general guidance for how the term “Institutional and Financial Stabilization” is commonly understood in the nonprofit field and how some organizations approach it. What is right for your organization will be determined by your circumstances, strategic thinking and plans.

- **Deficits:** Deficits can destabilize an organization. Ways to address a deficit could include 1) paying it down, 2) diagnosing the cause, and/or 3) once diagnosed, addressing the root cause in a variety of ways such as marketing, sponsorship, expanded membership, fundraising, board development, business plans and staff configurations. If funding to reduce or eliminate a deficit is requested, demonstration of a plan to avoid a recurring deficit problem is required.
- **Advancement and Capacity Building:** The same strategies used to erase deficits can be applied to advancing an organization’s overall operating capacity by broadening and increasing income, attracting new audiences, and forging new partnerships.
- **Regulating Cash Flow and Establishing Cash Reserve:** Sometimes the cycle of activity requires significant and destabilizing outlays prior to receipts, sending groups to financial institutions for bridge loans and lines of credit that carry interest payments. Having a revolving fund can address the issue and pay the organization interest as well. Few emerging groups are able to appropriately budget for maintenance or have funds they can turn to in an emergency such as property damage or casualty loss. Creating working capital funds that can be replenished annually reduces operating risk and better

secures an organization's other income and assets. If requesting funding for a reserve or working capital fund, applicants must show that the board has instituted a policy and plan to replenish the cash reserve to the level described and outline the organization's policies for managing the reserve.

- **Strategic Planning:** Possessing a sound strategic plan is the first step toward success, whether the key to your stabilization and advancement is in marketing, fundraising, board development, facilities, operational and program expansion, or greater membership and outreach. A sound plan includes specific goals, assignment of tasks to achieve goals, a timeline, and attention to resources necessary to reaching goals. A good strategic plan outlines a planning process; includes who will be involved in the process and how public input will be obtained; outlines the steps of the process and its timeline; includes benchmarks for how and when the plan is revisited and progress measured; and addresses all fundamental aspects of both programming and management functions of your organization.
- **Assessment:** Organizational assessment can be an effective tool enabling organizations to diagnose potential problems and determine where it makes the most sense to expend resources, both financial and human. This practice is particularly timely given the current economic climate because an organization needs to determine what is working (or what is not) so that it can make strategic decisions.
- **Professional Development for Staff or Board:** A new skill set may be required in order to perform essential or new business functions for which board and/or staff can be trained.
- **Technology Assessment and Upgrade:** Effective use of technology can increase an organization's ability to build organizational capacity and/or enable it to connect its programs and services to the public leading to greater financial and operational stability. To be most effective, it is important for an organization to look strategically at its technological capabilities and determine a specific plan for achieving identified goals, such as reducing costs, improving accountability, tracking consumers, advancing marketing and educational efforts, or increasing overall productivity.

For fiscal year 2017 the grant program developed by the Council will continue to be devoted to institutional and financial stabilization projects for arts organizations. Arts Institutional and Financial Stabilization grants are extremely competitive given the number of applications submitted and the amount of funds available. Due to the significant interest in this program and the volume of applications received annually, organizations are encouraged to think critically and strategically about proposed projects and consider the following to facilitate the development of your project:

- Talk with your staff and board;
- Review your organization's strategic plan to identify stabilization goals;
- Define the challenges your organization is confronting with regard to achieving greater stability;
- Identify stabilization goals; and
- Examine organizational human and financial resource capacity to determine a feasible project that can be accomplished in one year and sustained beyond the grant period.

Eligibility: To be eligible for these funds, an organization must be a New Jersey-incorporated, nonprofit arts organization (no schools, colleges, units of government, or religious organizations) **that has been qualified by the Cultural Trust.** Applications for qualification are available from the Cultural Trust web site www.culturaltrust.nj.gov or from its office by calling 609-984-6767 and must be submitted by **July 1, 2016** in order to be qualified by August 3, 2016. In order to become qualified, an organization must demonstrate that it:

- fulfills a **primary arts mission** through active programs and services

- has been in operation for a minimum of 4 years
- is tax-exempt
- has a functioning board that provides financial oversight to the standards set by the Cultural Trust

Organizations that have received Cultural Trust funding in two of the immediate past four rounds of application (FY12 through FY16) are not eligible to apply for the FY17 cycle. However, these organizations may participate as part of a collaborative application or one on behalf of multiple groups.

Ineligible Projects: Institutional and Financial Stabilization grants are intended to make projects and activities possible that otherwise would not be feasible. Grants may not replace other funds and must be in addition to funds originally and normally budgeted for or associated with the basic operations of an organization. The following types of projects are ineligible:

- Capital projects (construction, renovations)
- Fundraising events (galas, receptions, etc.)
- Contributions to endowments
- International travel
- Education in a matriculating course of study
- Public programs, projects, and services (performances, exhibitions, educational programs, readings, etc.)

Note Regarding Requests for Increased Staffing: While support for new staff resources is possible under this program, it must be justified in terms of and in the context of the specific operational or financial challenge being addressed by the applicant. Most important, the applicant must provide a detailed, specific plan for fully sustaining the cost of the position beyond the grant period. If a position will be shared by more than one organization please articulate this in the application, as well as demonstrate how the position will have an impact on all of the collaborating organizations. A resume of the candidate or a detailed job description must accompany applications seeking support for a staff position.

Priorities: Priority will be given to applicants not previously funded. Collaborative proposals and those on behalf of multiple organizations which seek to address a common or shared challenge are encouraged.

Number of Applications: A qualified organization may submit only ONE APPLICATION for Cultural Trust funding in this FY17 cycle.

Grant Size: Grants will generally range between \$10,000 and \$40,000. Larger dollar requests will be accepted for collaborative proposals and those on behalf of multiple organizations.

Match and Financial Requirements: There is **NO** matching requirement. However, if an organization's project costs more than the amount requested, the proposal must clearly demonstrate the organization's ability to provide the additional required funds. Cultural Trust funds may not be used to match any other State of New Jersey grant. Indirect and other administrative costs not directly related to the project may not be charged against the grant.

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Deadlines: The application process begins with a **Notice of Intent to Apply** in order to confirm eligibility and to assist potential applicants in ensuring their proposed projects are eligible in the program. **Notice of Intent**

NOI Deadline is Wednesday, June 15, 2016. NOI deadline must be met by e-filing by 3:00 pm on the deadline date.

Applications not preceded by a Notice of Intent to Apply by the deadline will not be accepted. The Council will inform potential applicants of any eligibility challenges.

Application Deadline is Wednesday, August 3, 2016. Application deadline must be met by e-filing by 3:00 pm on the deadline date.

Process: Applications from eligible organizations will be reviewed, evaluated, and ranked by an independent panel of qualified persons employing the evaluation criteria listed below. Depending on the total number of applications received, the Council may elect to engage a screening panel to provide a preliminary assessment and to narrow the field for further consideration by the full panel. The rest of the process is as follows:

- The Council will review the findings of the panel.
- A list of recommended projects will be developed with consideration to the application's score based on evaluation criteria and geographic distribution.
- The Council will forward to the Cultural Trust Board a list of projects it recommends for funding.
- The Cultural Trust Board may delete (but not add) projects from the list and will explain its reasons for any deletion and allow for appeal; however, there is no appeal process for the recommending agency decision.
- Contracts will be issued to successful grantees by the Cultural Trust.
- The Cultural Trust reserves the right to place conditions upon any grant as they may relate to monitoring and reporting.
- Announcement of grant awards is expected to be made in late fall 2016 by the Cultural Trust for projects that may start January 1, 2017.

Evaluation Criteria: The following criteria will be used by the independent panel in assessing the proposal:

- The ability of the project to significantly improve long-term financial stability and/or expand operational capacity of the applicant.
- How the project fits into the organization's strategic planning and current financial context as a logical next step towards stabilization and/or advancement.
- The ability and organizational commitment to successfully execute the project including adequate project planning and the extent to which the proposed project can be successfully accomplished with the grant and other resources (staff, consultants, etc.) available to the applicant (present a specific, realistic project budget).
- The ability of the applicant to sustain or build upon the gains made through the project after project funds have been expended.

Application Instructions: The guidelines and forms are available on the web sites of the Council and The New Jersey Cultural Trust, including a link to [SAGE](#) for completion and submission. A complete Application submission consists of the following:

- Maximum 3 page narrative (12,500 characters or less)
 - Financial Charts A & B
- Required support materials below should be uploaded into SAGE:

- Organization’s most recently completed audit (or IRS 990 if applicant’s annual budget is less than \$500,000).
 - Please Note:** If the organization is a current General Operating or General Program Support (GOS/GPS) grantee of the State Arts Council and has submitted its most recently completed audit, the Council will provide the panel with a copy of the organization’s “Audit Review and Financial Summary” prepared by the Nonprofit Finance Fund.
 - However, please also upload your most recent audit with the application.**
- List of all staff members with titles **OR** an organizational chart (indicate which staff are paid).
- Resumes **OR** brief biographies of the key participants in the project (staff, board). No more than one page for each individual, and be sure the information provided is relative to their role in the project.
- Credentials and copy of the actual proposal of any consultant including detailed costs, timelines, action steps, and deliverables; it is important to include the Request for Proposal and/or the process used to select or to be used to select any consultants so that the panel fully understands the process and/or the decision for selection of a proposed consultant.
- Brief background on **all** outside organizations, agencies or institutions that are projected to provide services in support of this project.
- For projects requesting funds for equipment: vendor quotes.
- For projects requesting funds for a staff position: resume of candidate or detailed job description for the proposed position, as well as a clear plan for how the position will be sustained after the single year of Cultural Trust funding.
- For projects requesting funds for a cash reserve: organizational policies for managing and replenishing the reserve.
- For projects requesting funds to address a deficit: a plan to avoid a recurring deficit.

Optional: an organization can provide a link to its website or YouTube channel, if relevant, or upload no more than 3 items of optional support material relevant to the proposed project (one document is considered one item, e.g. planning documents that support the project, program brochures, or any other easily digestible document or item that will aid an independent evaluator in better understanding who you are, what you do and how you do it. **No hard copy items such as books, DVDs or CDs will be accepted.**

Narrative Guidelines: A narrative of no more than 3 pages (12,500 characters or less) in length that responds to the following:

1. Briefly describe your organization, its mission, its major programs, and services, and its audience as context for the project (should be no more than ¾ page), and the organization’s major challenge(s) to institutional or financial stability or future operational capacity.
2. Fully describe the proposed stabilization project. Describe why you think this project addresses the major challenge as stated in your answer to question #1. Discuss why the project is a high priority and how it fits into your organization’s strategic planning and overall financial health. How is this project a logical next strategic step for the organization? What was the self-diagnosis behind determining the need for the project?
3. How will the project be accomplished? What resources (staffing, other funds) will be used? What are the human resources necessary, both internal and external to the organization, such as staff time on the project and to work with consultants? Applicants may include in the application the cost of current staff

resources dedicated to the project and pro-rated as such, however Trust funds requested cannot be used to cover these costs. Trust funds can be requested for new staff resources as part of the project. If the project will cost more than the grant funds requested, how will the funds or additional resources be obtained and when will these resources be in place? Please be specific and provide documentation.

4. How will the gains made through the project be sustained, independent of future Cultural Trust funds? What is the specific project outcome expected? How will the project lead to permanent improvement in the financial, operational or institutional stability or advancement of the organization? Note: If the project includes the acquisition of new staff resources, how will the position(s) be sustained after the year of Trust funding through other means (provide a specific detailed plan)?
5. Organizations that received Cultural Trust grants in a past round FY04-FY16 must provide a brief description of the accomplishments made or progress on the funded project and, if applicable, how the activities for which funding is now requested builds upon, but is different from, the previous grant-funded activity.

General Guidance

- There is a great deal of information to be considered. Please read the guidelines carefully in their entirety.
- Complete all the required charts accurately.
- Triple check all numerical entries.
- Review the information on support materials and any special guidance to be sure of requirements.