



# LEGACY INDIVIDUAL GRANT

## 2023-2024 GUIDELINES

Revised: July 31, 2023

LRAC welcomes questions about eligibility, grant programs, and application support for grant applications. First-time applicants are especially encouraged to contact the LRAC office prior to starting an application, after first reviewing the guidelines and application instructions.

**The following are subject to change for all FY24 LRAC grant programs:**

- \* Amount of funding available for each grant round
- \* Acceptable date that your grant project activity can start

Contact the LRAC Grants Manager for more information.

### Grant Information

**Amount:** Minimum request \$500, maximum \$6,000 with a \$3,000 equipment cap (**New this year**)

**Available Funds:** **\$25,003 for Fall Round (subject to change)**  
**\$37,506 for Spring Round (subject to change)**

**For:** Individual Artists living in the LRAC nine-county region

**Purpose:** To increase Arts Access, Arts Learning and Arts and Cultural Heritage opportunities for all Minnesotans

**Legacy Individual Grant Outcome: Minnesota artists say they have access to resources, information, personnel, audiences, etc. they need.**

### Grant Schedule

Instructional Videos for Grant Writing: Available online to view after August 18, 2023.

#### ***Round #1 - Fall Legacy Grant Round***

**Application Available:** Monday, August 21, 2023

**Application Deadline:** **Thursday, October 5, 2023 at 5:00 pm**

**Grant Review:** LRAC Board Meeting, Tuesday, November 21, 2023 (*presentation date*)

**Grant Project Start Date:** *Project Start Date must be after December 19, 2023*

#### ***Round #2 - Spring Legacy Grant Round***

**Application Available:** Monday, January 22, 2024

**Application Deadline:** **Thursday, March 7, 2024 at 5:00 pm**

**Grant Review:** LRAC Board Meeting, Tuesday, April 16, 2024 (*presentation date, alternate presentation date April 23, 2024 if needed*)

**Grant Project Start Date:** *Project Start Date must be after May 14, 2024*

This activity is made possible by the voters of Minnesota through grants from the Lake Region Arts Council, thanks to a legislative appropriation from the Arts and Cultural Heritage fund.

**Lake Region Arts Council**  
133 South Mill Street  
Fergus Falls, MN 56537

phone: 218.739.5780

Email: LRAC4@LRACgrants.org

## IA. OVERVIEW

The Minnesota State Arts Board and Minnesota's Regional Arts Councils will be entrusted with stewardship of significant new funding through the State of Minnesota's Arts and Cultural Heritage Fund.

Proceeds from the fund may be spent only on arts, arts education and arts access and to preserve Minnesota's history and cultural heritage.

The fund is intended to create a strong arts legacy in Minnesota and will exist for a period of twenty-five years.

### Vision:

In 25 years, *Minnesotans* will have made a significant investment in the arts.

### As a result:

*In Minnesota, the arts define who we are.* This is a place where people are transformed by quality arts experiences, and see the arts as essential to their communities. The arts in Minnesota connect people of all ages and cultures, fostering understanding and respect.

Arts and culture are central to *Minnesota's* educational system and lifelong learning opportunities. The arts develop creative minds that maximize new opportunities and find solutions to life's challenges.

*In Minnesota*, the arts are an integral part of the economy. Because of the arts, *Minnesota* communities are successful, dynamic, attractive places to live and work.

*Minnesota* is a recognized national arts leader, a magnet for artists and arts enthusiasts, and a destination for tourists. Residents and visitors are assured a world-class quality arts experience.

*Minnesotans* appreciate, create, attend participate or invest in the arts. *Minnesota's* effective, innovative, vibrant, public-private support for the arts is the strongest in the country. Universal support and appreciation for the arts help ensure the state's exceptional quality of life.

## IB. DEFINITION OF KEY AREAS

The Arts and Cultural Heritage Fund will support activities in three key areas:

### Arts & Arts Access:

Up to 79% of the fund will support Minnesota artists and arts organizations in creating, producing, and presenting high-quality arts activities; to overcome barriers to accessing high-quality arts activities; and to instill the arts into the community and public life in this state.

### Such activities may be, but are not limited to:

**Investing** in activities that make the arts available to persons who might not otherwise have access due to economic, geographic, or physical barriers.

**Ensuring** that Minnesota's artists have sufficient financial support to create high quality art.

**Investing** in the long-term health and vitality of Minnesota's arts sector by supporting capacity-building and professional development.

**Investing** in efforts that enable Minnesotans to connect with arts/arts experiences.

**Investing** in efforts to fully integrate the arts into local community development efforts.

**Investing** in efforts to integrate the arts into local and state economic development planning.

**Investing** in public art that is available throughout the state.

**Recognizing and rewarding** artists/arts organizations/arts providers for exceptional artistic quality and service to their audiences and/or the state.

### LRAC Equal Access to Grant Funds Statement

"As a publicly funded program, LRAC's re-granting of state funds must maintain high standards of fiscal responsibility and be conducted in an open manner without discrimination on the basis of national origin, race, color, creed, religion, disability, gender, status with regard to public assistance, gender preference, marital status or political affiliation."

Please be advised that to better serve artists and arts organizations of our region, each fiscal year, based on input from applicants, the Lake Region Arts Council will review, and when necessary revise the grant process, grant limits and review procedures.

## IB. DEFINITION OF KEY AREAS (CONTINUED)

### Arts Education:

**Investing in lifelong learning in the arts:**

Up to 16% of the fund will support high-quality, age-appropriate arts education for Minnesotans of all ages to develop knowledge, skills, and understanding of the arts.

**Such activities may be, but are not limited to:**

**Investing** in efforts that enable Minnesotans to connect with arts learning opportunities.

**Ensuring** that artists are able to invest in professional development.

**Ensuring** that arts learning opportunities are achieving intended outcomes through ongoing assessment and evaluation.

### Arts & Cultural Heritage:

**Building bridges between Minnesotans through arts and culture:**

Up to 5% of the fund may be used for events and activities that represent the diverse ethnic and cultural arts traditions, including folk and traditional artists and art organizations, represented in this state.

**Such activities may be, but are not limited to:**

**Providing** Minnesotans with opportunities to celebrate our cultural heritage through events and activities that represent the range of Minnesota’s ethnic and cultural arts traditions.

**Ensuring** that Minnesotans are able to experience folk/traditional arts of diverse cultures by supporting the work of folk and traditional artists/arts organizations.

### **FY2024 LRAC Legacy Funding Categories**

These Legacy dollar amounts are subject to change. Contact the LRAC office for updated numbers at the time of the grant round.

#### **Fall Legacy Individual Grant Round**

<b>Access</b>	<b>Education</b>	<b>Heritage</b>
<b>\$20,391</b>	<b>\$3,635</b>	<b>\$977</b>

#### **Spring Legacy Individual Grant Round**

<b>Access</b>	<b>Education</b>	<b>Heritage</b>
<b>\$30,587</b>	<b>\$5,453</b>	<b>\$1,466</b>

## IC. GENERAL INFORMATION

**Proposals for Arts and Cultural Heritage funding for artists will be reviewed at the November and April LRAC Board meetings.**

- All proposed projects and activities must have an end date no more than 12 months from the proposal start date.
- No match is required, either in cash or in-kind contributions.
- **(New this year)** An individual artist may request from \$500 to **\$6,000 maximum. Equipment requests may not exceed \$3,000 per grant.**
- An applicant cannot be awarded more than 50% funding from Lake Region Arts Council and 50% from the Minnesota State Arts Board. *(Verify the MSAB match amount required by their grant program.)*
- **(New this year)** Grant activities or spending cannot start before the LRAC grant contract is signed and submitted to the LRAC online grant system.

### Legacy Presentations

All applicants will be permitted to make a presentation to the LRAC Board for the Grant Review.

- This is an optional choice to be indicated when submitting the application. Refer to the Cover Page for presentation dates.

**All presenting applicants will do the following:**

- **Contact** the LRAC office about being a presenter for the Legacy Grant Round Review. The office will discuss the **in-person versus online presentation options** at that time.
- **Prepare** a presentation for the LRAC Board as part of the proposal. The presentation will be limited to a five minute speech and a five minute question & answer session with the LRAC Board. The LRAC office will provide a presentation schedule prior to the grant review date.
- **No handouts or art work are permitted at the presentation.**

## IC. GENERAL INFORMATION (CONTINUED)

### Funded Proposals

#### If the proposal is funded,

- LRAC reserves the right to require an interim report and the right to conduct a mid-point review, which can include an onsite visit from the LRAC Executive Director and/or LRAC Board member from a county that is not the applicant's county of residence.
- **Supply** LRAC with additional information as requested.
- **A final report** must be submitted by the applicant within 60 days after project completion. The final report is available through the LRAC online grant

## II. APPLICANT ELIGIBILITY

**Who can apply:** Individual artists in all disciplines, those who seek help with creating, producing or presenting high quality art.

#### To be eligible for funding, the LRAC grant applicant must:

1. Be an individual artist in any arts discipline.
2. Be a resident of the LRAC region for a minimum of 6 months. The LRAC region includes the nine counties of Becker, Clay, Douglas, Grant, Otter Tail, Pope, Stevens, Traverse and Wilkin. Residency is determined by voting location, payment of Minnesota state income taxes, possession of a valid Minnesota driver's license or a current utility bill.
3. Be at least 18 years of age.
4. Be a United States citizen or have permanent resident alien status.
5. Do not intend to relocate your legal residence outside the 9 county LRAC region during the year of the grant project or until approval of the final report.

**Note:** If grantee leaves the LRAC region before completion of the grant project, the grant funds must be returned.

#### Applicants are not eligible for funding who:

- Individuals that do not have arts/culture related activities as the focus of their proposals.
- Individuals whose primary focus is not the creation of art.
- Individuals cannot apply for the Individual Artist Legacy grant on behalf of a group of artists, i.e. musical act, acting ensemble, literary group. The artist group should solicit a community partner 501(c)3 organization or a local government entity to apply for the LRAC Legacy Organization Grant program on their behalf. An artist group is defined as a group of artists having a history of performing together and/or performs under a recognized name, not a group that comes together for a one time project and then disbands.
- Have an outstanding final report **on the deadline date** due to the LRAC.
- Directors of the LRAC Board, LRAC employees, and independent contractor with LRAC or family members of LRAC Board, LRAC employees, and independent contractors. Family members defined as spouse, domestic partner, parent, child or spouse of a child.
- **Individuals that have not submitted a complete and accurate application** providing all requested information. The proposed budget must be accurate, detailed and appropriate to the purpose of the project.



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## III. PROJECT ELIGIBILITY

Types of proposals that are eligible include but are not limited to:

- Projects for the production of Public Art.
- School artist residencies.
- Artistic performances.
- Arts educational experiences.
- Art workshops.
- Art exhibits.

**Any events related to this project must be open to the general public.**

### *Activities not allowed: (New/updated this year)*

- A.** Requests that ask for support from LRAC Career Development Grants and Legacy Individual Grants for the same project during the same fiscal year.
- B.** Activities that does not have arts/culture as their primary focus.
- C.** To compensate ongoing school personnel in full or in part.
- D.** To pay an artist to provide essentially the same services that an ongoing teacher or arts specialist would be expected to provide.
- E.** For tuition, fees, materials for college or university credit, or work towards a degree.
- F.** For tuition for teachers to earn degrees, meet licensure requirements, or meet continuing education requirements to retain a teaching license.
- G.** Projects that are a routine completion of work in progress or are a continuation of past work unless there is a new or expanded focus or audience.
- H.** The translation or editing of material that is not a literary work of art.
- I.** Payment of debts incurred before the grant request is approved.
- J.** Request must include at **least one activity** within the LRAC region.
- K.** Funding for activities that are located or take place outside the state of Minnesota. Any travel outside of Minnesota.
- L.** Events from which proceeds will benefit a secondary group, without prior LRAC approval.
- M.** Activities that are essentially for the religious socialization of the participants or audience.
- N.** Activities that attempt to influence any state or federal legislation or appropriation.
- O.** Budgets that request grant support for hospitality costs or purchases of supplies for “resale or re-gifting items”, including food. This applies to receptions and events, not to costs of meals and lodging for performing artists.
- P.** Living or travel costs which are intended to provide experiences and not artistic growth.
- Q.** Payment for new building projects.
- R.** Trainings or workshops that take place **outside of Minnesota**.
- S.** Projects that are limited only to students, or staff/ members of groups (such as Girl Scouts, 4-H, series subscription concerts etc.). **Exceptions:** Residencies in schools or assisted living facilities. A residency is a visit or series of visits by an artist (s) to engage with participants to help them gain knowledge/skills in a particular art form. The residency must include an element that is open to the public such as a performance, exhibit, etc.
- T.** Grants awarded partial funding may not seek the unfunded portion of their grant in a second LRAC grant request.
- U.** Activities that would financially benefit “for profit” entities directly. Exception for public art project where the “for profit” entity agrees to have on public art on their building/property and not to profit financially from the public art.
- V.** Projects that fund school programs such as school (K-12 and post-secondary) plays, concerts, etc. that would normally occur during a school year.
- W.** Multiple requests from one applicant for the same grant round. Applicants are limited to one application per grant round. Departments within a University are each considered as individual applicants.
- X.** *Grant activities or spending that start before the LRAC grant contract is signed and submitted to the LRAC online grant system.*

## IV. APPLICATION PROCEDURE

### Application Assistance

Applicants are encouraged to contact the LRAC office early in the planning process so the staff can provide assistance.

LRAC Board members may also provide advice and assistance to applicants during the grant preparation period. In addition, grant application tips sheets are available online at the LRAC website, [LRAC4.org](http://LRAC4.org) under the **Grants** heading, Tip Sheets and Webinars.

An LRAC Board member who provides assistance in grant preparation must **declare a conflict of interest** during the application review and may not vote on or rank that application.

Advice and assistance from the LRAC Staff or Board during the application process does not guarantee that the application will be completely free of errors or omissions.

### Grant Training Instructional Videos

If you are a first-time applicant, you are encouraged to watch the LRAC grant writing instructional videos. Check out the [LRAC4.org](http://LRAC4.org) website for access to these videos, helpfully broken up into different topics relevant to the Legacy Grant.

### LRAC Online Grant Application

All applicants will need to start by creating a logon profile in the new system.

*Going forward, your email address will be your user name. If you forget your password, you will be able to create a new one 24/7 without LRAC assistance.*

After you have logged in, you will move into the Dashboard. Start the grant application by clicking on the Apply button.

### A Complete Application includes the following Supporting Documents and Work Samples:

- 1. The online grant application** including past LRAC/MSAB grant history dating back five years.
- 2. Applicant's resume** no more than 2 to 3 pages.
- 3. Applicant's work samples** in the correct format.
- 4. Resumes** (short, 2 to 3 pages) or **Websites** for any individuals to be paid by the grant request .
- 5. Work Samples or Websites** for any individuals to be paid by the grant request. Website links must be fully functional with active work samples.
- 6. Letters of commitment** for any individuals or organizations to be paid by the request for the agreed amount listed in the grant.
- 7. Equipment quotes** Copies of quotes or estimate from two suppliers for any equipment costing \$500 or more.

*The content, accuracy and completeness of an application are solely the responsibility of the applicant.*

## IV. APPLICATION PROCEDURE (continued)

**8. Supply price list.** Expenses for supplies totaling over \$500 will need a details list of supplies and purchase prices.

**9. Venue confirmation** for all potential locations of the grant activities, such as schools, galleries, performance spaces, and other venues or **Letter of Support** for any locations that the project will be taking place to demonstrate their interest in participating in the grant's activities

Acceptable file types include JPGs, PDFs, or links to websites with work samples. Please refer to the application for specific types.

Website links for performing artists must include video or audio performance, not an advertisement or promotional recording. Audio and Video samples may not exceed 5 minutes in length.

Applicants will need to follow the instructions in the application for correct file size and format for uploading their documents.

### Application Submission

The application must be submitted to the LRAC Grants online application website by **5:00 pm on Thursday of the application deadline week (see page 1 for deadline dates).**

It is to the applicant's advantage to submit the grant application in advance of the deadline date, as ranking ties are determined by application submission order.

### Submission Confirmation

Once the application has been submitted to the LRAC online grant program, the applicant will receive an email which will be their confirmation

of their submitted grant application. *The applicant should save this email to document their submission date and time.*

**If you have chosen to make a presentation** for the Legacy Grant Review, be sure to contact the LRAC office to discuss your presentation options based on current health situation and CDC guidelines, **either in-person or virtual.**

### Application Staff Review Timeline

Once your application is submitted to the LRAC online grant system, it will be checked by the LRAC staff for errors and omissions.

**If the LRAC staff has any correction recommendations, an email will be sent to the primary contact through the LRAC online grant system. Please make sure you are receiving emails from this system.**

The deadline to make any recommended changes to the application will be one week from the notification to the applicant. **Changes other than those suggested by LRAC staff are not allowed and could affect the application's eligibility. The content, accuracy and completeness of an application are solely the responsibility of the applicant.**

If the applicant takes no action or does not communicate with the LRAC office by the end of the week allowed for changes, the application will go to the LRAC Board for review **"as is"**.

## V. REVIEW PROCEDURES

### Grant Review

- LRAC Board members receive copies of all applications at least one week prior to the review session.
- After grant applications have been formally submitted, board members are prohibited from discussing them with grant applicants. Applicants should direct questions to the LRAC office staff.
- LRAC Board, review panels and staff observe strict procedures to prevent any conflict of interest in the processing, review and selection of grant awards. The full Conflict of Interest Policy can be viewed at [www.LRAC4.org/grant-management](http://www.LRAC4.org/grant-management) or by contacting the LRAC office.
- At the LRAC grant review meeting, grant applications are reviewed in the same order in which they were submitted online.

In arriving at decisions, council members:

- **First** determine the eligibility of the applicant. Any applicants that are determined to be ineligible shall be eliminated from the review process.
- **Second**, determine the project eligibility. The council discusses each application in relation project criteria.
- **Third**, through majority vote, the council determines whether the grant application will be approved for funding based on the three review criteria (See Page 9 Review Criteria) or denied funding based on specific criteria.

### Ranking

- After determination of funding, each project will be ranked. Points acquired by each application are totaled and divided by the number of council members ranking that project.
- Projects are ranked in order from high score to low score. Grants are then awarded according to their rank. A minimum score of 65% must be achieved in order to be considered for funding.
- Applicants should be aware that although an application may be approved for funding, its rank might determine that it will receive partial or no funding.

### Funding Options: Full or Partial

- Due to three funding categories; Access, Education & Heritage, a project may be fully funded in one category, but receive partial funding or no funding in other categories. Then the applicant is designated as a partially funded application. If the applicant accepts partial funding, a revised budget must be submitted and approved by LRAC prior to the distribution of funds.
- If the applicant refuses partial funding, the amount will be offered to the next applicant in the ranking list requesting funding in each category.
- If two applications receive identical rankings, the application with the earliest submission date will be given priority.

### Notification

- Applicants are notified of funding decisions within two weeks after the grant review. A notification email and letter will be sent to the applicant.
- Applicants wishing to know the funding decision after the LRAC Grant Review may log into the LRAC Grant Site to check out the status of their application. **The award status will now be available by Monday after the grant review.**
- If funding is approved, the applicant will be complete the Grant Contract and the Request for Payment form online and submit a W-9 form.
- If a revised budget and/or project description are necessary, applicants will receive an email listing all additional requirements for the partially funded grant prior to completing the Contract and Request for Payment online.

### Funding Distribution

- Upon receipt of the W-9, signed grant contract and request for payment forms, 80% of the grant funds will be mailed to the grantee.
- Upon approval of the final report, the remaining 20% of the grant funds will be sent to the grantee.



## VI. REVIEW CRITERIA

The Lake Region Arts Council makes an effort to distribute available funds fairly and equitably among the different art forms and across the different geographic and cultural areas of the region. Projects supported by the LRAC are expected to encourage and reflect the highest possible standards of artistic excellence. The council observes strict procedures to prevent any conflict of interest. Review meetings are open to the public.

The LRAC Board is an 18 member board, comprised of two people from each of the nine LRAC counties. For more information about the LRAC Board, refer to the [LRAC4.org/About Us/Staff and Board](http://LRAC4.org/About Us/Staff and Board). All reviewing LRAC Board members will rank each application on a scale of 1 to 10 in the three criteria; **A. Need for the Project, B. Merit and Artistic Quality and C. Ability to Accomplish.**

A perfect score would be a 30 (10, 10, 10). The average score is generated based on the number of reviewing LRAC Board members. A board member that declares a conflict of interest for an applicant will not rank the application.

**The LRAC uses the following review standards for all applications.**

### A. Need for the project

LRAC defines community need as a gap in programming, opportunity or resources for the community defined by the applicant.

Considerations used to address this criterion may include the following:

1. Tell us about the community that will benefit from this project. Communities, as defined for your project, can be small or large, and can include information about demographics, a particular group of people (e.g. the elderly, homeless, elementary age children), geography, a shared culture, marginalized groups or groups formed around an interest or particular art form.
2. What is the lack of opportunity, access or knowledge that this project addresses for your defined community?
3. How is this project of value to your defined community?
4. What methods of involvement or listening did you use to determine the need or importance of this project with members of your defined community? (Examples could include, but are not limited to: listening sessions, public forums, interviews, surveys, focus groups, feedback from audiences/community, etc.)
5. Have you considered if this project will impact others outside your defined community? Have

you considered or sought input from underrepresented groups in your community about the need for your project? Underrepresented groups could include, but are not limited to: newcomers to the community, elderly, youth, people from different traditions/cultures, people with disabilities limiting their access to the arts, etc.

If the application is determined to be of sufficient **Need for the Project** as to indicate further review, the following criteria will be applied.

### B. Merit and artistic quality of the Project or of the service to the arts

1. How does this proposal help instill the Arts into your community and public life?
2. How does this proposal help provide a high quality arts experience?
3. How does this proposal help Minnesotans access high quality arts experiences?
4. How does this proposal help to develop knowledge, skills, and understanding of the arts?
5. How does this proposal help to represent diverse ethnic and cultural arts traditions? (Optional, answer N/A if not a part of your proposal.)

### C. The ability of the applicant to accomplish the project

1. Is the project budget feasible?
2. Are the marketing and publicity plans appropriate for the project?
3. Does the project's budget demonstrate fiscal responsibility?
4. Does the applicant demonstrate the ability to evaluate the outcome of the project? Are the goals realistic and the outcome achievable?

## VII. GRANT RECIPIENT RESPONSIBILITIES (New this year)

1. **Submit**, upon request from the LRAC, an interim report and participate with LRAC in a mid-point review, which can include an onsite visit from the LRAC Executive Director and/or the LRAC Board member from a county that is not the applicant's county of residence.
  2. **Sign and submit** to the LRAC online grant system within **45 days** from the grant award date, the LRAC Contract Agreement and the Request for Payment form along with the uploaded signed and dated W-9 form. **Grant activities or spending cannot start before the LRAC grant contract is signed and submitted to the LRAC online grant system.**
  3. **Carry out** the project in compliance with the project description, budget and dates as set forth in the application. The types of changes would include large budget expenditures, i.e. in excess of \$500, changing artists, venues, or dates, or scope, focus or artistic intentions of the project. Changes can be requested at any time using the Universal Postponement/Revision Form in the online grant management platform. Any requests for revision submitted between LRAC Board meetings will be considered at the next scheduled meeting. **Note:** Any significant revisions must received prior approval of the LRAC before expenditure of grant funds. Depending on the decision made by LRAC at the meeting, ***the grantee may or may not be required to return money to LRAC or may or may not receive their final 20%.***
  4. **Ensure** that access to participation in the project will not be limited on the basis of national origin, race, religion, age or sex.
  5. **Be legally responsible** for the completion of the project and the proper management of the grant funds.
  6. **Maintain** records, documents or papers that show evidence of use of grant funds.
  7. **Include** the following credit line in any advertising, news releases, printed programs or promotional material related to the grant:  
**This activity is made possible by the voters of Minnesota through grants from the Lake Region Arts Council, thanks to a legislative appropriation from the Arts and Cultural Heritage fund.**
  8. **Comply** with all applicable federal, state, and local laws, rules, regulations and ordinances in relation to the use of these funds. Failure to comply may result in termination or forfeiture of the grant.
  9. **Submit** the Final Report Form on the online grant management platform ***within 60 days of completion of the project*** along with the supporting materials and documentation of expenses.
  10. **Submit** the Final Report's supporting documents to the LRAC office by uploading them into the Final Report. These documents should include:
    - **Proof of payment of all grant expenses. Acceptable documents include purchase receipts, copies of checks or bank statement line items, credit card statements or detailed organization QuickBooks/accounting reports .**
    - Evaluation results with details.
    - All publicity containing the LRAC credit line as listed in item 7.
- Note:** The LRAC reserves the right to audit the project if circumstances warrant.

## VIII. MISUSE OF FUNDS PROCEDURE OVERVIEW

### Description and Scope

This procedure defines misuse of funds, outlines investigation and documentation of misuse, establishes a range of consequences when misuse has occurred, and outlines a process by which a grantee may appeal consequences. This procedure applies to funds a regional arts council receives from the State of Minnesota from its general fund, its arts and cultural heritage fund, or any other State funds. The procedure does not apply to other revenue sources regional arts councils may have (e.g., contributions from other grant makers or donors, or earned income).

### Objective

The intent of this procedure is to ensure that regional arts councils are managing state funds in a consistent manner; that similar consequences will be imposed when misuse of state funds occurs; and that a grantee that has misused funds will lose privileges statewide, not just in the region in which it resides.

### Definition: What constitutes misuse of funds

Misuse of funds means using State of Minnesota resources for any purpose other than those allowed by:

- State of Minnesota statutes, laws, rules, policies; and
- The regional arts council receiving and disbursing the funds; and
- The program guidelines or grant contract through which funds are disbursed.

**Intentional misuse** occurs when the grantee knowingly spends funds in ways that are outside the allowable parameters of the State, the council, or the program. Misuse also occurs when a grantee spends funds in ways that are inconsistent with the submitted proposal and budget.

**Unintentional misuse** generally occurs as a result of miscommunication or misunderstanding.

A grantee that is unable to complete all proposed activities is not misusing funds. Unspent funds are not misuse. The notices and consequences

described below would not apply in this situation.

### Consequence Overview

**Misuse of state funds is never allowed whether the misuse is intentional or unintentional— notices and consequences will be issued.**

If grantee **does not return the funds:** Grantee is **permanently ineligible** to receive State of Minnesota funds from the LRAC, from the Arts Board, or from any other regional arts council.

If grantee **does return the funds:** Grantee is ineligible to receive State funds from LRAC, the Arts Board, or any other regional arts council.

### Range of Consequences:

- **Misused funds are less than \$1,000** – for a period of one year from date of notification.
- **Misused funds are \$1,000 - \$5,999** – for a period of two years from date of notification.
- **Misused funds are \$6,000 or more** – for a period of three years from date of notification.

In some circumstances, LRAC may determine that consequences outside this range are appropriate and may impose them.

LRAC is required to notify all mandated art organizations of imposed consequences.

### Responsibilities of LRAC when Misuse has occurred

1. Verification and documentation
2. Notice of misuse and consequences to the grantees
3. Notices to the MN State Arts Board
4. Recovery of funds
5. Consequences
6. Reinstatement
7. Appeal process

Please Refer to the **LRAC Misuse of Funds Procedure Document** on the LRAC4.org website under Grants/Grant Management for the complete policy regarding the misuse of funds or contact the LRAC office.

## IX GRANT TERMINATION

**A grant contract may be terminated at any time:**

By mutual written consent of the LRAC and the recipient;

Upon the written request of the grantee, but such termination does not necessarily relieve the grant recipient of the responsibilities as set forth in the contract;

By the LRAC upon the failure of the grantee to comply with one or more of the contract conditions. Such termination shall be effective upon the receipt of written notice by the recipient.

The grant contract is considered terminated if the applicant leaves the region before the project is completed.

## X. REVOCATION OF FUNDS

A commitment of funds to a recipient may be rescinded by the LRAC if one of the following conditions exists:

1. The recipient does not return the signed contract and/or attachments within 45 days of the date it is received.
2. The recipient does not return a revised budget and project descriptions within 30 days of the date of notification of the LRAC Action by letter.

Occasionally, additional “riders” or conditions will be placed on the use of the grant funds. These conditions, or in some cases recommendations, from the council, will be clearly outlined in the contract.

## XI. APPEALS POLICY AND PROCEDURE

*Grant applicants may appeal the decisions of the LRAC only on the basis of procedure used during the review of the grant applicants. The appeals procedure is as follows:*

1. Applicants must notify the LRAC office, in writing, of their wish to have an appeals hearing and the basis for the appeal. **The applicant has ten business days from the date of receipt of the LRAC funding decision to submit this letter.**
2. The appeals committee reviews the request for an appeals hearing and recommends to the chair whether or not there is a basis for an appeal. This recommendation is sent to the chair within ten business days of receipt of the request for an appeals hearing.
3. The chair then authorizes an appeals hearing or denies the request based on the committee report. If it is determined that there is no basis for an appeal, the applicant is so informed. The chair must take one of these actions within ten business days of receipt of the appeals committee recommendation.
4. When an appeals hearing is authorized, it is scheduled by the appeals committee chair with the applicant. Following the hearing, the appeals committee makes a recommendation to the LRAC at its next regularly scheduled meeting.
5. The LRAC then reviews the committee recommendations and makes a final decision on the appeal. The applicant is then notified of the LRAC’s decision within ten business days of that LRAC meeting.