



ARTSFAIRFAX

FY23 Operating Support
Grant Application
Financials Webinar

March 10, 2022

Agenda

- Introductions
- Criteria Overview
- Required Documents
- Financials Section of the Application
 - Terminology
 - Online Financials Table
 - Narrative
- Q&A
- Date Reminders
- Resources
 - Contact Information
 - General Accounting Explanations

Introductions

- Jackie Dubin, Grants Manager
ArtsFairfax
- Sarah Bright Yaneza, Owner
The Bright Solutions
 - Ms. Bright has eighteen years of experience in fiscal management with not-for-profit and for-profit organizations. Since forming The Bright Solutions in 2008, Sarah has supported organizations with missions ranging from visual/performing arts to civic engagement to membership-based to health and human services.



Purpose of the Operating Support Grant

- To advance the arts in Fairfax County by supporting the goals and objectives of the county's arts organizations, helping them maintain and develop their programs, services, and facilities
- To maintain organizational stability as a platform for becoming more resilient, adaptable, and nimble for sustainability, change, and growth
- Recognize a broad spectrum of the county's cultural organizations

Audience Poll #1

Financials Criteria

- Is the applicant financially stable; and/or does the application explain changes in finances due to the pandemic and steps being taken or planned, to address needs and changes? *
- Does the applicant have a reasonable and clear future budget scenario?
- Does the applicant have a history of income from a variety of earned and unearned sources?

* designates Short Form criteria

Required Financial Documents

- **Eligibility Section**
 - IRS Determination Letter
 - Treasurer’s Report/Audit
- **Applicant Information Section**
 - Most Recent 990/990-N/990-EZ
- **Financials Section**
 - Financials Table
 - *Must be filled out in the web version of the application*

Required Documents Cont.

- **Most Recent IRS 990** - Definition: Informational Tax Return for non-profit organizations.
- **Who Must File** - Most organizations exempt from income tax under section 501(a) must file an annual information return (Form 990 or 990-EZ) or submit an annual electronic notice (Form 990-N), depending upon the organization's gross receipts and total assets.
- **990-N: Gross receipts \$50K or less; 990-EZ:** Gross receipts less than \$200K and total Assets less than \$500K; **990:** Gross Receipts more or greater than \$200K and total assets more or greater than \$500K.
- **Difference between N, EZ, and regular?** N is online e-postcard, three steps. EZ is about four pages, with some attachments. Regular can be 30-40 pages, many different schedules, lots of questions on policies, etc.

Required Documents Cont.

Treasurer's Report or Audit

- **Audit:** typically refers to audited financial statements which are prepared by a CPA firm through a series of interviews/tests/reviews at the end of the fiscal year. The audited financial statements usually have several standard reports as well as notes to explain the activities for the year.
 - Required by ArtsFairfax for budgets over \$750,000
- **Treasurer's report:** Refers to a report that is prepared by the Treasurer of the Board of Directors. Will not be certified financial statements, but whatever report internally that has basic reports such as: Balance Sheet, Income Statement, Cash Flows Statement.

Method of Accounting

- **Cash vs Accrual**

- Accrual accounting is the preferred accounting method for non-profit organizations and means that you recognize revenue and expense when incurred (not necessarily when a check is written or cash is received).
- Cash accounting recognizes revenue and expense when it clears the bank account.

- Audience Poll #2

Fiscal Year

- Twelve consecutive months that your organization elects to use for a fiscal period. Some organizations use the calendar year (January - December), others use a fiscal year that starts mid-year (July - June), and others select other periods as well.
- Audience Poll #3

Budget Level

- For the Operating Support Grant Program, your budget size is determined by the “Total Expenses” from your most recently completed fiscal year. Do not include in-kind expenses in the budget level calculation.
 - Level 1 \$10,000-50,000 (use short form)
 - Level 2 \$50,000-100,000
 - Level 3 \$100,000-\$250,000
 - Level 4 \$250,000-\$500,000
 - Level 5 over \$500,000

Audience Poll #4

Financials Table

- **Web application**

- To apply, visit:

- www.artsfairfax.submittable.com/submit

- **Resource: Excel Worksheet**

- To download, visit:

- <https://artsfairfax.org/operating-support-grant-application-resources/>

Financials Table - Web Version Preview

- Required for an application to be considered complete
- Figures should be entered directly into the table

EARNED INCOME REVENUES	A. Most Recently Completed Fiscal Year	B. Current Fiscal Year Approved Budget	C. Next Fiscal Year	Notes
1. Tickets/Admissions				
2. Memberships				
3. Contract Services				
4. Performances Fees				
5. Tuition/Class/Workshop Fees				
6. Advertising Sales				
7. Merchandise Sales & Concessions				
8. Rentals				
9. Special Events				
10. Other				
11. Other				
12. Other				

Financials Table - Excel Version Preview

- Same exact content as the web version
- Color coded
- Easily shared

EARNED INCOME REVENUES	A. Most Recently Completed Fiscal Year	B. Current Fiscal Year Approx	C. Next Fiscal Year	Notes
1. Tickets/Admissions				
2. Memberships				
3. Contract Services				
4. Performances Fees				
5. Tuition/Class/Workshop Fees				
6. Advertising Sales				
7. Merchandise Sales & Concessions				
8. Rentals				
9. Special Events				
10. Other				
11. Other				
12. Other				
SUBTOTAL EARNED INCOME REVENUES	\$0	\$0	\$0	
CONTRIBUTED/UNEARNED REVENUES	A. Most Recently Completed Fiscal Year	B. Current Fiscal Year Approx	C. Next Fiscal Year	Notes
13. Individuals				
14. Board Contributions				
15. Corporations				
16. Foundations				
17. Federal				
18. State (VCA and/or line item)				
19. Local (Not including this ArtsFairfax Grant)				
20. Interest & Investment Income				
21. Other				
22. Other				
23. Other				
SUBTOTAL CONTRIBUTED/UNEARNED REVENUES	\$0	\$0	\$0	

Budget Narrative

- **Explain...**
 - All elements of your budget, particularly any unusual or atypical income or expenses
 - Substantial (i.e., a change of 20%) increases or decreases in your budget
 - Influence of the pandemic
 - Plans to build/rebuild reserves and endowments
 - Pending application through the Virginia Commission for the Arts

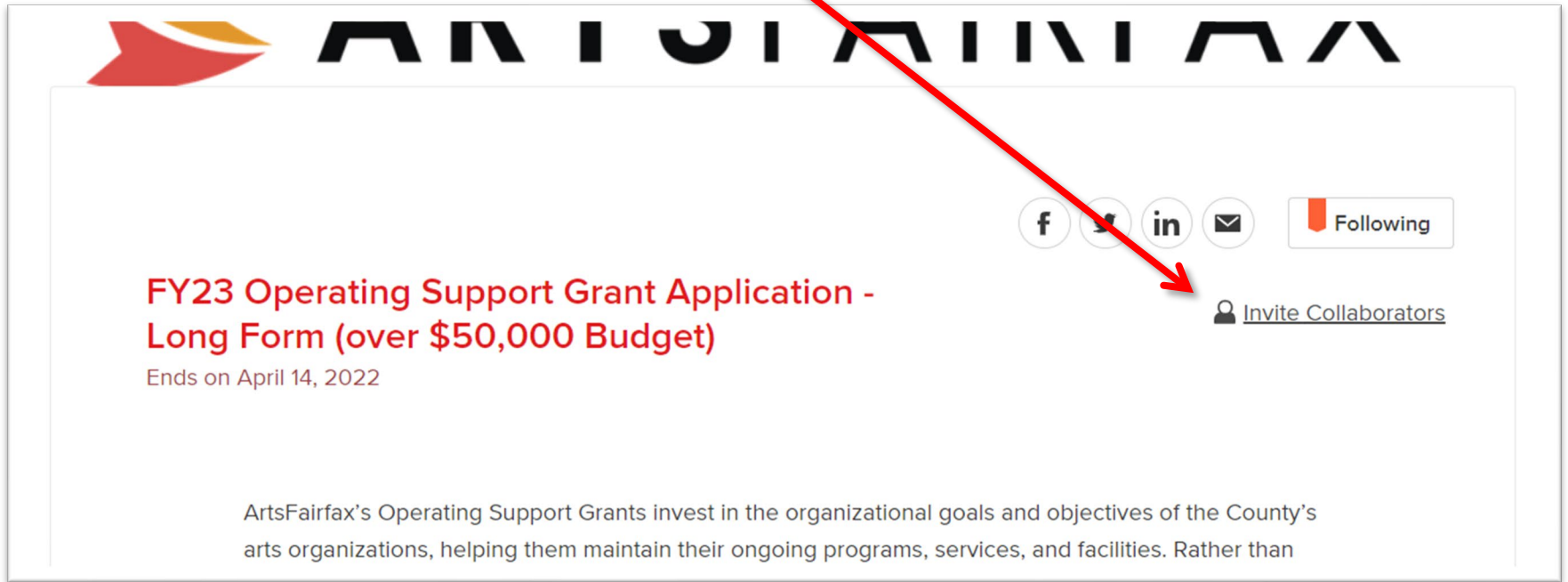
No fixed word count – suggested range 200 - 300.

Submittable Tips and Tricks

- **Submittable's tables can be slow**
 - Take your time
 - Save and return to the application later
 - Click outside of last filled cell to ensure sums add up correctly
 - Optional - fill in the Excel Worksheet version of the Financials Table before submitting the final web version|
- **Submittable Collaboration tool**
 - Each organization should choose one submittable account for final submission
 - designate submission owner
 - Collaboration tool enables multiple people to work simultaneously in an application
 - <https://submittable.help/en/articles/3654810-how-can-i-invite-people-to-collaborate-with-me-on-a-submission>

Collaboration Tool

Click to enable – found at the top right corner under the ArtsFairfax logo



The screenshot shows the ArtsFairfax website header with the logo and the text "ARTSFAIRFAX". Below the header, there is a navigation bar with social media icons for Facebook, Twitter, LinkedIn, and Email, and a "Following" button. The main content area features a red heading: "FY23 Operating Support Grant Application - Long Form (over \$50,000 Budget)" and a sub-heading: "Ends on April 14, 2022". Below this, there is a paragraph of text: "ArtsFairfax's Operating Support Grants invest in the organizational goals and objectives of the County's arts organizations, helping them maintain their ongoing programs, services, and facilities. Rather than". A red arrow points from the text above to the "Invite Collaborators" link in the bottom right corner of the content area.

Date Reminders

- March 15, 2022 - DEIA Learning Cohort application deadline
- March 31, 2022 - AIR Grant Interim Report deadline
- **April 14, 2022 - FY23 Operating Support Grant application deadline**
- May 1, 2022 - Capital One Hall Space Request - Season 3 deadline
- **May 11 - 13, 2022 - FY23 Operating Support Grant Review Panels**
- August 1, 2022 - FY22 Operating Support Final Reports deadline
- **August 2022 - FY23 Operating Support Grant Award Announcements**

Contact

- **Jackie Dubin, Grants Manager
ArtsFairfax**
 - [571-395-4625](tel:5713954625)
 - jdubin@artsfairfax.org
- **Sarah Bright Yaneza, Owner
The Bright Solutions**
 - sbyaneza@thebrightsolutions.com

General Accounting Explanations

- **Treasurer's report:** Refers to a report that is prepared by the Treasurer of the Board of Directors. Will not be certified financial statements, but whatever report internally that has basic reports such as: Balance Sheet, Income Statement, Cash Flows Statement.
- **Profit & Loss Statement/Statement of Income/Statement of Activities:** Report that shows all revenue and expense for current fiscal period. Can also show comparative periods or timelines as well.
- **Expense:** purchases made on behalf of the organization. Use of funds. For example: utility expense.
- **Income or Revenue:** funds received on behalf of the organization. Source of funds. For example: ticket revenue.
- **Contributed Income:** funds received as part of individual, corporate, foundation, or government support. Also, can be contributions of non-cash, in-kind donation of service or goods.
- **Earned Income:** funds received as part of program or service offerings.
- **Deficit or Surplus:** Deficit = more expense than income. Surplus = more income than expense. Each year an organization will end with either a deficit, a surplus, or will break even (neither a surplus nor a deficit).

General Accounting Explanations

- **Method of accounting (Cash vs. Accrual):** Accrual accounting is the preferred accounting method for non-profit organizations and means that you recognize revenue and expense when incurred (not necessarily when a check is written or cash is received). Cash accounting recognizes revenue and expense when it clears the bank account.
- **Fiscal Year:** twelve consecutive months that your organization elects to use for a fiscal period. Some organizations use the calendar year (January – December), others use a fiscal year that starts mid-year (July – June), and others select other periods as well.
- **Balance Sheet/Statement of Position:** A report that shows what you own, what you owe, as well as your net worth.
- **Assets:** items that are owned. For example: paintings.
- **Liabilities:** items that are owed. For example: line of credit or mortgage.
- **Net assets:** $\text{Assets} - \text{Liabilities} = \text{Net Assets}$ (what you own LESS what you owe). Net Assets also figure in accrued surplus or deficit that the organization has accrued over time.
- **Audit:** typically reviews to audited financial statements which are prepared by a CPA firm through a series of interviews/tests/reviews at the end of the fiscal year. The audited financial statements usually have several standard reports as well as notes to explain the activities for the year.