

# Town of Addison

## Non-Profit Funding Program Guidelines

### Program Guidelines

The Town of Addison (“Town”) administers a funding program to provide assistance to local non-profit organizations serving the community. The program features an annual application process aligned with the Town’s annual budget adoption process (the “Non-Profit Funding Program” or “Program”).

The following informational guidelines address key elements of the Program and establish parameters for the application, review, award, and agreements for funding. Funding for the Program is contingent upon the availability of funding and City Council budget approval each year.

These guidelines are for informational purposes only, and the terms of the fully executed funding agreement control in the event of an inconsistency or conflict with these guidelines.

### Program Categories

There are two main categories with different funding sources, applications, and evaluation criteria.

<b>Local Service Organizations</b>	<ul style="list-style-type: none"><li>• Provide funds to local non-profit organizations that promote public purposes and benefit the public within the Addison community.</li></ul>
<b>Performing Arts Organizations</b>	<ul style="list-style-type: none"><li>• Provide use of The Addison Performing Arts Centre facility and funding to support programming to achieve the strategic goals and vision of the Centre and the Town.</li></ul>

### Organization Eligibility

An organization must meet all criteria listed below to be eligible to apply for funding:

1. Programs should be focused on benefitting residents within the Town of Addison.
2. The organization must be a tax-exempt organization.
3. The organization must be in good standing with the State of Texas and the IRS.
4. The organization must be in good standing with the Town of Addison (property taxes up to date, successfully fulfilled all prior contractual obligations).
5. The organization must have a minimum operation time of at least two (2) years before making an application for funding from the Town.

### Applications

The Town will market the Program, application process, and application deadline through various communication channels. Prior Program applicants will be notified via e-mail.

The application process, packet, and deadline will be posted on the Town's website. Deadlines, policies, procedures, priorities, and other pertinent information will be included in the application packet.

Applying organizations must complete and sign an application for the Program category they are applying for. Applications will only be accepted during the advertised application period.

In addition to a completed and signed Program category application, the following documentation must be submitted with an application:

1. Cover letter on the organization's letterhead.
2. A current list of business and foundation donors with their contribution level.
3. Operating budget from the current year and proposed for next year.
4. A copy of the organization's most current audited financial statements from an independent accounting firm.
  - a. *\*For organizations with annual gross receipts less than \$500,000: Must provide a Compilation report or most current annual financials prepared by an accountant or financial officer of the organization.*
5. A copy of the organization's nonprofit 501(c)(3) status.
6. A list of the members of the board of directors, including names, titles, and affiliations.
7. If required to file, a copy of the most recently filed form 990, unless a website link to the most recently filed 990 is provided on the application form.
8. Any additional documentation that would provide additional information about the organization.

Applications must be submitted to the designated staff contact. Staff will share applications received with the City Council Community Partnership Committee for review.

### **Presentations and Review**

The City Council Community Partnership Committee (the "Committee") was formed by Resolution 24-111 to review applications and make recommendations to the City Council as part of the annual budget process. The Committee is composed of three (3) Council Members appointed annually.

Staff will review applications for completeness and eligibility and share all applications received with the Committee for review. Staff will provide a report to the Committee on any applications that were incomplete or that do not meet all eligibility criteria.

All applications submitted will receive a review by the Committee and discussion based on the shared criteria listed in each Program Category. Any questions on the application will be addressed to the contact person listed in the application packet.

Each applicant will be provided an opportunity to provide an in-person presentation to the Committee on the scheduled presentation date(s). Each applicant will be scheduled for a 5-minute presentation with a question-and-answer session immediately following the presentation.

Logistics and suggested presentation content will be conveyed via email before the presentation date(s).

Presentations to the Committee will be video recorded and made available on the Town's website.

### **Recommendation and Awards**

The Committee will prioritize and recommend Program funding for applications that can be funded within the target budget number. The budget and award recommendations will be approved by the Committee and forwarded to the entire City Council for consideration at the annual budget workshop.

Announcement of funding decisions will be made via email to each organization following the Addison City Council's approval of the Town Budget.

Funding agreements will be prepared with the City Attorney's Office and address parameters of the program and funding, such as:

- Funding Conditions and Disbursements
- Quarterly or Monthly Program Reports
- Indemnification of the Town
- Termination of the Agreement
- Conflict of Interest Prohibition
- Accounting of Funds
- Additional Requirements of the Organization
- Legal Compliance and Other Requirements

If applying as a Performing Arts Organization, there will be additional requirements regarding license and permitted use of the Addison Performing Arts Centre facility, insurance, and any other conditions and requirements as applicable.

### **General Timeframe**

The following graphic provides a general timeline and steps for the annual Funding Program. The application deadline will be posted on the Town's website each year, and other important dates will be communicated and emailed to the contact person listed on the application.



## Category: Local Service Organizations

### **Purpose**

The purpose of this category is to provide funds to local non-profit organizations that promote public purposes and benefit the public within the Addison community ("Local Service Organizations").

### **Funding**

Funding for Local Service Organizations comes from the Town's General Fund.

Funding for the Program is contingent upon availability of funding and City Council budget approval each year.

### **Evaluation**

The list below includes general factors that will be considered when the Committee reviews applications from Local Service Organizations. This list is not all-inclusive.

- Prior funding provided by the Town of Addison
- Demonstrated ability to measure impact and effectiveness
- Percentage of Town's funding as overall annual budget
- Advancement of objectives in alignment with the Town's Strategic Plan
- Extent of city-wide community impact and economic benefit

### **Application**

Organizations must complete the Local Service Organizations application, in addition to providing the requested documentation.

The program application seeks information, including but not limited to, the following:

- Organization Description
- Organization Vision and Strategic Goals
- Program Description and/or Project Description requesting funds for
- Total Requested Funding (and breakdown by program and/or projects)
- Program Measures
  - Number of Addison residents served
  - Measures showing outcomes of the program for the last 2 years and for the proposed year
  - Funding received from other municipalities (include percentage of residents served in each municipality)
  - Any other measures identified
- Provide an explanation if an increase in funding level is requested, if previously provided funding by the Town
- Community Impact and/or Economic Benefit to Addison community

## Category: Performing Arts Organizations

### Purpose

The purpose of this category is to provide use of [The Addison Performing Arts Centre facility \(www.visitaddison.com/atc\)](http://www.visitaddison.com/atc) and funding to support programming to achieve the strategic goals and vision of the Centre and the Town.

- **Vision:** Make The Addison Performing Arts Centre into a dynamic cultural hub that attracts diverse audiences and serves as a destination in its own right.

### Funding and Subcategories

Funding for Performing Arts Organizations comes from Hotel Occupancy Tax (HOT) revenue which is part of the Town's Hotel Special Revenue Fund. The Texas Tax Code Chapter 351 outlines allowable use of hotel/motel occupancy tax receipts. This tax code notes the usage of fund as:

*Revenue from the municipal hotel occupancy tax may be used only to promote tourism and the convention and hotel industry.*

The code further explains in Subchapter B, Section 351.101(a)(4) that a city may fund artistic and cultural events that drive tourism and the convention and hotel industry with hotel occupancy tax revenue. The section specifically states the revenue may be used for:

*the encouragement, promotion, improvement, and application of the arts, including instrumental and vocal music, dance, drama, folk art, creative writing, architecture, design and allied fields, painting, sculpture, photography, graphic and craft arts, motion pictures, radio, television, tape and sound recording, and other arts related to the presentation, performance, execution, and exhibition of these major art forms.*

Therefore, the Town has established that awarded funds can only be used for endeavors that support art and cultural event activities within the Town of Addison which bring people into the Town and to The Addison Performing Arts Centre.

Maximum investment is 15% of total hotel tax, which is used to supplement total expenditures on the arts less revenue earned from the arts.

Taking this into account, the Town of Addison sponsors three (3) subcategories of Performing Arts Organizations funding for The Addison Performing Arts Centre, which follow the Hotel Occupancy Tax Code parameters as well as other federal, state, and municipal requirements:

MAINSTAGE RESIDENT COMPANY	
<ul style="list-style-type: none"> <li>• Priority scheduling for the Mainstage (second only to the Town for bookings)</li> <li>• Access to scheduling of the Studio after Town and Studio Company bookings</li> <li>• Up to 50% of scheduled dates to be provided as an in-kind contribution</li> <li>• Marketing support from the Town of Addison, including advertising on the Belt Line Road digital billboard.</li> </ul>	REQUIREMENTS: *
	<ul style="list-style-type: none"> <li>• 50 nights of public performances per season (July 1 – June 30) in the Mainstage.</li> <li>• Carry the designation of “A Resident Company of The Addison Performing Arts Centre” on all marketing materials, along with logo.</li> </ul>
STUDIO RESIDENT COMPANY	
<ul style="list-style-type: none"> <li>• Priority scheduling for the Studio (second only to the Town for bookings)</li> <li>• Access to scheduling of the Mainstage after Town and Cornerstone Company bookings</li> <li>• Up to 50% of scheduled dates to be provided as an in-kind contribution</li> <li>• Marketing support from the Town of Addison, including advertising on the Belt Line Road digital billboard.</li> </ul>	REQUIREMENTS: *
	<ul style="list-style-type: none"> <li>• 10 nights of public performances per season (July 1 – June 30) in the Studio.</li> <li>• Carry the designation of “A Studio Resident Company of The Addison Performing Arts Centre” on all marketing materials, along with logo.</li> </ul>
GENERAL ASSISTANCE	
<ul style="list-style-type: none"> <li>• Non-profit organizations that have applied and have been provided funding or in-kind use of the spaces by agreement.</li> <li>• Not granted priority scheduling. Town and Resident Companies have priority.</li> </ul>	REQUIREMENTS: *
	<ul style="list-style-type: none"> <li>• Per the funding agreement.</li> </ul>

*\*At a minimum, all organizations receiving funding should provide:*

- *Average paid capacity of 50% for all performances.*
- *Ticket discounts to all Addison town employees, officials, and residents.*
- *One community-oriented offering per year (examples include, but not limited to, free student matinee performances for George H.W. Bush Elementary, providing summer camps for kids, hosting a young professional event).*

## Evaluation

As stated previously, awarded funds can only be used for endeavors that support art and cultural event activities within the Town of Addison, which bring people into the Town and to The Addison Performing Arts Centre.

The list below includes general factors that will be considered when the Committee reviews funding requests for Performing Arts Organizations meeting the basic requirements. This list is not all-inclusive.

## 1. USAGE OF THE ADDISON

- Number of dates proposed for a public performance or event at The Addison Performing Arts Centre.
- Number of productions proposed *OR* the number of public performances or events for each production.

## 2. AUDIENCE & COMMUNITY IMPACT

- Extent to which the organization is able to market offerings and attract audiences.
- Evidence of community engagement and support.
- Potential to reach populations who have not historically attended The Addison Performing Arts Centre.
- Programs that serve Town of Addison residents (e.g., free student matinee performances for George H.W. Bush Elementary, hosting a young professionals' event).

## 3. ARTISTIC & MISSION CAPABILITY

- Programming offers content that is distinct in the Metroplex and for The Addison.
- Quality of programming produced.
- Demonstrated need for the organization's mission and programs.
- Demonstrates consistent financial results and sustainability.
- Board of Directors is actively engaged with the organization.

### Application

Organizations must complete the Performing Arts Organizations application, in addition to providing the requested documentation.

The program application seeks information, including but not limited to, the following:

- Organization Description
- Organization Vision and Strategic Goals
- Program Description requesting funds for
- Program Budget for how funds will be used
- Target Audience
- Marketing Approach
- Program Measures
  - Number of dates proposed for a public performance or event at The Addison Performing Arts Centre
  - Number of productions proposed *OR* the number of public performances or events for each production
  - Projected level of attendance
  - Any other measures identified
- Provide an explanation if an increase in funding level is requested, if previously provided funding by the Town