



COVID-19 CULTURAL ORGANIZATION GRANT PROGRAM
QUESTIONS AND ANSWERS – Version 1
September 15, 2020

Program summary

Governor Tony Evers has authorized up to \$5 million in financial assistance to support eligible cultural organizations impacted by the COVID-19 pandemic. Governor Evers' press release announcing the assistance is available [here](#). Funding for this assistance is provided to Wisconsin by the Federal Coronavirus Aid, Relief, and Economic Security (CARES) Act. The program is administered by the Department of Administration (DOA). Additional details are available on the [program website](#).

Prior to contacting DOA please consult the Grant Announcement and Grant Application available on the [Program Website](#).

U.S. Department of the Treasury CARES Act guidance can be found [here](#).

FOR ALL QUESTIONS RELATED TO ALLOWABLE EXPENSES

DOA will execute grant agreements with successful applicants only after DOA determines that expenses and lost revenues included in an application are reasonably consistent with CARES Act requirements and Program provisions. DOA's execution of grant agreements, however, is not dispositive as to whether any particular cost meets the criteria set forth in the CARES Act. Cultural organizations retain responsibility for demonstrating eligibility of expenses and are required to hold DOA harmless for any audit disallowance related to the eligibility of costs, including repayment of ineligible amounts.

FOR ALL QUESTIONS RELATED TO APPLICANT ELIGIBILITY

DOA will not respond to inquiries regarding an applicant's specific eligibility. Each applicant is required to determine its eligibility based on program requirements provided in the Grant Announcement. However, DOA will accept and answer questions seeking clarification of eligibility requirements. DOA will determine applicant eligibility only as a routine matter during the application review process after the application deadline has passed. Applicants should carefully review Section 4. Eligibility Requirements of the Grant Announcement prior to applying.

- 1. My organization is not a registered non-profit with IRS 501(c)3 tax-exempt status. Is my organization eligible?**

No.

- 2. My organization is not registered with the Wisconsin Department of Financial Institutions. Is my organization eligible?**

No.

- 3. How do I know if my organization is registered with the Wisconsin Department of Financial Institutions and/or is in good standing?**

Organizations may review registration status by visiting the WDFI webpage here:

<https://www.wdfi.org/apps/CorpSearch/Advanced.aspx>

- 4. Eligible organizations must have an “administrative presence in Wisconsin”. What does this mean?**

Organizations must have administrative operations, Wisconsin-based staff, physical presence, or other administrative presence within Wisconsin. Organizations may describe their administrative presence in Section 1. Applicant Information narrative.

- 5. Section 4.2 Ineligible Applicants of the Grant Announcement states, “Cultural organizations within, operating under or for the benefit of...public or 501(c)(3) accredited institutions of higher education...state and local governmental agencies...federally recognized Native American tribal governments...churches and religious organizations” are ineligible. What does “within, operating under or for the benefit of” mean?**

Departments and other subunits within or operating under a governmental body are not eligible. Likewise, nonprofits established for the benefit of a governmental unit are not eligible to apply. As an example, a nonprofit foundation established to benefit a state agency or University of Wisconsin campus is not eligible.

- 6. Our organization operates, hosts or administers classes, lessons, educational programs or a school-style functions, either for free or for a fee, as part of our activities. Does that render us ineligible under Section 4.2 Ineligible Applicants of the application?**

Organizations that are schools or whose primary mission is education are not eligible.

- 7. What sort of supplemental materials would be helpful?**

Applicants may choose to provide supporting documents that they believe will assist evaluators in assessing their application. However, do not provide audio files, video files or documents with links to online resources which the applicant intends the State or evaluators to read. Supporting documents should speak for themselves.

8. Our organization has received other coronavirus relief funding, are we eligible to apply?

Receiving alternative funding is not considered in eligibility determinations. However, per Section 6.1 of the Grant Announcement, eligible expenses must not be reimbursed and are not under consideration for reimbursement of another program.

9. What will happen if another grant comes thru that would cover the same things, and we already received this grant? Since we are applying to several different things at the same time, we can't wait for one to be approved and then apply for the next as the funds may not be there.

Organizations are required to repay grant funds to the state in the event grant funds are supplanted by other funding sources or are not utilized in accordance with the Grant Announcement and resulting Grant Agreements. Additionally, applicants should notify the State as soon as it receives notice that all or a portion its request will be funded by other sources.

10. The application also lists the DOA-6460 form. Where is that for and where can that be found?

DOA-6460 form is no longer a required component of the application. The most up-to-date application materials are available on the Program website.

11. Will we receive notice that our application has been received in full?

DOA will supply email confirmation of application receipt upon request. Confirmation of application receipt is not a determination of application completeness nor applicant eligibility.

12. So we should make a list of itemized expenses and income loss for reference but the dollar amount we ask for comes from 25% of the operating budget?

An applicant's request amount must equal the total of itemized expenses and/or revenue losses from Appendix A – Budget. Do not request funding exceeding \$250,000 or 25% of the organization's average three previous fiscal years of operating revenue, whichever is less.

13. If our lost revenue exceeds the amount the maximum amount we are able to apply for, should we still include the total? (For example, we have over \$450,000 in lost revenue in 2020 as compared to last year.)

Regardless of the organization's actual eligible expenses or revenue losses, do not request more than \$250,000 or 25% of the organization's average three previous fiscal years of operating revenue, whichever is less.

14. Will partial awards be made?

Possibly. Award amounts depend on the number of applicants, availability of funding, total amount requested and other factors.

15. Is there a minimum grant award request amount?

No

- 16. Revenues expected from a ticketed event were not realized in 2020 since it had to be cancelled. Some of that revenue MAY be available in 2021 if the event is rescheduled. Is the 2020 loss eligible?**

Assuming the cancelled event occurred between March 1, 2020 and December 30, 2020, yes. Applicants may apply for grant funds for eligible expenses and lost revenues that were incurred during the eligible period.

- 17. Would an independent contractor be considered an eligible expense (we don't have any salaries)?**

Likely, so long as all other eligibility criteria are met.

- 18. Must eligible expenses be used in service of organization's performance/production activities? Or, can they be used for operations?**

Eligible expenses may include operation expenses other than for performance/production activities so long as all other eligibility criteria are met.

- 19. If eligible expenses were initially covered by unrestricted organizational funds (i.e. an unrestricted foundation grant), can those unrestricted funds be redirected to other needs if a Cultural Organization Grant is awarded?**

The Grant Announcement does not restrict use of an organization's unrestricted funds, so long as grant funds are utilized compliant with the Grant Announcement and resulting grant agreement.

- 20. Are expenses related to arts education activities eligible?**

Likely, provided that the organization's primary mission is the production, presentation, or exhibition of cultural disciplines such as music, dance, theater, literature and the visual arts, or items of environmental or scientific interest.

- 21. Regarding eligible lost revenues, does this include dollars we've historically raised via annual fundraising events? Contributed revenue (corporate giving) in addition to earned revenue (tickets/memberships)?**

Likely, so long as all other eligibility criteria are met.

- 22. When we canceled our concerts we did not pay musicians who were going to perform but did not. They are independent contractors, not employees. Can we declare these services as expenses, that if covered by grant would be then paid to the musicians?**

No. By not paying the performers the organization did not incur an expense.

23. Can we seek reimbursement of expenses for mailings made to our audience informing them of concert cancellations?

Likely, so long as all other eligibility criteria are met.

24. Can funds be used to cover debt (operational, marketing) that the organization is now behind on because of lost revenue from event being cancelled due to Covid-19?

Possibly, so long as all other eligibility criteria are met. Please distinguish between "debt" and eligible expenses in Section 2.1, Financial Need, and in Appendix A, Budget.

25. We lost a \$10,000 annual donation from a patron who would have normally contributed on an annual basis. If this grant covers this lost revenue - do we need to explain what we will do with the \$10,000 grant awarded (lost revenue) to us after we receive the dollars from DOA?

Lost contributions may be an eligible cost so long as the loss was attributable to the COVID-19 pandemic. Provide documentation demonstrating annual donation lost.

Additional details on use of funds may be requested when awardees submit Final Reports.

26. Can we apply for a combination of both expenses incurred and lost revenue, or does it have to be only expenses incurred, or only lost revenue?

Yes, both expenses and lost revenue is an eligible cost. However, applicants may not claim both if claimed revenues will defer claimed expenses, resulting in an unbudgeted net profit.

27. We have lost grant funding during the eligible period. Does there have to be documentation from the grant maker stating that we didn't get the grant due to COVID?

The loss of grant funding must be related to the COVID-19 pandemic. Documentation is not required but is recommended. Please explain in Section 2.1, Financial Need or supply a letter from the organization explaining the circumstances as Supporting Documentation.

28. Since date goes to end of December, can we list losses not yet occurred and items not purchased yet?

Yes. Please note the eligible period is March 1, 2020 through December 30, 2020 (not December 31, 2020).

29. Would expenses incurred by needing to upgrade our disinfecting equipment and supplies be included in eligible expenses?

Likely, so long as all other eligibility criteria are met.

30. Can we use "lost revenue" awards for day-to-day operations?

Yes

31. Are revenue funds lost from invested funds eligible for repayment?

No, investment losses are an ineligible cost.

32. We'd like to purchase equipment to video record our concerts for this year but won't be able to do this UNLESS we get some grant help. We won't make a purchase before receiving a grant. What to do?

Applicants may request funds for expenses incurred and paid for during the eligible period. This includes expenses not yet incurred as of the application due date. Purchases must be made before or on December 30, 2020.

33. Can we apply for a DFI entity ID now if we don't have one already?

Applicants should contact the Wisconsin Department of Financial Institutions for questions related to entity IDs. Per Section 4.1 of the Grant Announcement, applicants must be registered with the Wisconsin Department of Financial Institutions and have one of the following statuses as of the Grant Announcement closing date (September 30, 2020 at 2PM CDT): "restored to good standing", "incorporated/qualified/registered", "organized", or "registered".

34. Regarding the demonstration of financial need: does a necessary reduction in services demonstrate a financial need, independent of the financial health of our non-profit?

Applicants should provide narrative which they believe will allow evaluators to determine the extent and impact of financial need. Applicants should provide narrative in Section 2.1, Financial Need that clearly explains how the COVID-19 pandemic and public health emergency have impacted the cultural organization's operations and services, and how these impacts are directly tied to financial need.

35. Are state universities eligible for this grant program (Art museum or theater at the university)?

No.

36. What is considered a similar organization to a performing arts school under the ineligible applicants?

Please see answer to question #6.

37. The third question focuses on the degree to which our cultural activities are a component of our mission... what kind of answer are you looking for here? Some groups could say "to the fullest degree, 100%" but are you looking for a fuller description of those activities/programs?

DOA understands that some organizations may have operations or missions of which only a portion may be related to cultural activities. Applicants are directed to describe cultural activities offered or produced and discuss how those activities are a component of the organization's mission. Please remember that eligibility will be considered based in part on

whether the organization's primary mission is the production, presentation, or exhibition of cultural disciplines such as music, dance, theater, literature and the visual arts, or items of environmental or scientific interest.

38. If your group's revenues tend to vary from year to year depending on how often your group is hired to perform, what would be the best way to estimate lost revenues for this year for the purposes of this application?

Applicants should use whatever actual financial information it has available and to the extent possible to estimate lost revenues.

39. Do the operating costs of the last 3 years, include 2020 year to date? Or is it 2017, 2018, 2019?

Average should include 2017, 2018 and 2019 calendar years or the organization's equivalent fiscal years prior to March 1, 2020.

40. Can you show membership financial loss by showing membership dollars last year versus this year?

Yes

41. Our revenue is significantly reduced, but expenses are also. Are we to look at bottom line? or just lost revenue?

Applicants may only request grant funds for incurred expenses and estimated lost revenues during the covered period (March 1 through December 30, 2020). Applicants may not request funds for any expenses which were not incurred during the eligible period. Further, applicants should not request funds that may result in an unbudgeted net profit.

42. Does lost revenue replacement need to be spent by Dec 20? I do understand specific bills for expenses need to be paid, but if we are replacing revenue but still can't mount a show, do we need to spend the money somehow by Dec 30?

Lost revenue claims must have been incurred during the covered period. Grant funds received from lost revenue claims do not need to be spent during the covered period (March 1 through December 30, 2020).

43. Are revenues considered for the purposes of this program based on accrual or cash basis?

Lost revenue claims must have been incurred and received by the organization during the covered period (March 1 through December 30, 2020).

44. How should an organization consider multi-year, restricted pledges that were made this year? Does the entire pledge count against lost revenue in 2020 or just the portion of the pledge that is paid in this year?

Request only that portion of an unfulfilled multi-year pledge that attributable to the covered period (March 1 through December 30, 2020).

- 45. Hypothetical questions. I submit \$50,000 in lost revenues and am funded for \$50,000. I get an unrestricted \$50,000 donation in December that eliminates our loss; does that mean I need to refund the \$50,000 grant?**

Yes, if the grant fund and donation were to cover the same expenses or lost revenues.

- 46. If we document \$XXX in lost revenues, do we ALSO have to document the same amount in expenses?**

No, do not document or double count lost revenues and expenses.

- 47. So, if we receive a grant for our lost ticket revenue, we will be expected to use that grant to cover operational expenses we incurred while COVID had us shut down, like paying for our musical director and accompanist who were under contract, and we should not be submitting those expenses as separate line items as that would be double dipping?**

Correct, applicants should not request funds to cover both lost revenues and expenses that would be deferred by the lost revenue claim (and vice versa).

- 48. We were in critical need of funding and fundraised starting in July. We have raised \$130K to help cover our costs through the end of the year. Would I be correct in assuming that this amount would have to be taken out of the amount we request on our grant application?**

Yes

- 49. Can we use evidence of canceled events to determine lost revenues, or is it preferred to only use the difference in income between 2019 and 2020.**

Either is acceptable.

- 50. If the planned income for 2020 was higher than the past few years is it okay to ask for more money for this reimbursement, provided there is appropriate documentation.**

Yes

- 51. Re: providing audited documentation by February 1. Our fiscal year ends mid-year and we would not have audited results in regards to lost revenues (September-December) at that time. What would be permissible to submit as documentation?**

The grantee need not provide audited results in the Final Report, but must certify to the accuracy of information provided in the Final Report.

- 52. Would like verification on the time any grant funds need to be spent. Must they be spent by the time the Final Report is due Feb. 1?**

No. Grant funds must be incurred and spent during the eligible period (March 1 through December 30, 2020)

53. I am wondering if this has to be direct expenses incurred from March 1- Dec 30 or if it can cover work to be done before Dec 30 to address shortcomings in the areas of cleaning, sanitation and improving telework capabilities? For example, is it appropriate to request support for building improvements to make our public restrooms safer by installing touch free fixtures? Another example, would it be appropriate to request funding to improve our internet network, if it is done before year end?

Yes, COVID-19 pandemic related upgrades to allow for enhanced cleaning or remote work is likely an eligible expense provided the expense is incurred before or on December 30, 2020.