ARTICLE 1. MATCHING PRIVATE MONIES WITH MONIES FROM THE ARIZONA ARTS ENDOWMENT FUND

Article 1, consisting of Sections R2-2-101 and R2-2-102, adopted effective September 21, 1998 (Supp. 98-3).

Section
R2-2-101. Definitions
R2-2-102. Matching Private Monies

ARTICLE 2. GRANTMAKING PROCEDURES FOR GRANTS FROM THE ARIZONA ARTS TRUST FUND

Article 2, consisting of Sections R2-2-201 through R2-2-204, made by final rulemaking at 8 A.A.R. 406, effective January 9, 2002 (Supp. 02-1).

Section
R2-2-201. Definitions
R2-2-202. Eligibility
R2-2-203. Criteria
R2-2-204. Process for Obtaining A Grant from the Arizona Arts Trust Fund

ARTICLE 1. MATCHING PRIVATE MONIES WITH MONIES FROM THE ARIZONA ARTS ENDOWMENT FUND

R2-2-101. Definitions
In this Article, unless the context otherwise requires:

“Arizona Arts Endowment Fund” means the fund established in A.R.S. § 41-986.

“Arts Organization” means an organization that has applied for and received non-profit status under 501(c)(3) of the U.S. internal revenue code and whose primary mission is to produce, present, or serve the arts.

“Commission” means the Arizona Commission on the Arts.

“Donor-advised Fund” means monies donated to a community foundation, over which the donor or others designated by the donor retain the right to advise on grants from the fund.

“Field-of-interest for the arts Fund” means monies donated to a community foundation, that the donor restricts to grants in a specific charitable field.

“Non-designated Funds” means monies donated or appropriated to the Arizona Arts Endowment Fund, or to an endowment fund for which income generated is to be administered by the Commission for arts programs in Arizona.

“Other Government Endowment for the Arts” means an endowment of a community college, university, city or county local arts agency.

“Private Monies” means revenue from sources other than state tax funds such as cash or securities, irrevocable deferred gifts, lead trusts, real estate, or other items that are convertible to cash. The cash value of an irrevocable deferred gift is its present value.

“Programs” means arts activities or presentations that are promoted to the public.

R2-2-102. Matching Private Monies
A. The Commission shall consider private monies to be a match to the Arizona Arts Endowment Fund if the private monies are contributed as follows:
1. The donor enters into a written agreement with an endowment fund to dedicate the monies permanently; and
2. The donor designates the monies to the Arizona Arts Endowment Fund or to the endowment fund of a 501(c)(3) community organization contracting with the Arizona Commission on the Arts to administer the monies.
B. The Commission shall not consider a donation to be a match to the Arizona Arts Endowment Fund if:
1. The donor designates the monies to a specific arts organization’s endowment fund, or
2. The donor designates the monies to another government endowment fund for the arts.
C. The Commission shall consider monies in a donor-advised fund or a field-of-interest for the arts fund the same as all other monies donated in compliance with subsection (A).
D. Funds may be held, accounted for, and named individually.
E. The Commission may enter into written agreements with one or more 501(c)(3) community organizations to collect, invest, and manage private monies. The contracted organization shall report, on a quarterly basis, the collection of, investment of, and return on the monies, to the Commission.
F. The Commission shall request annual written financial reports from non-profit arts organizations in Arizona. Each report shall include a statement of the amount of monies received by an endowment for the arts of the reporting non-profit arts organizations. The Commission shall annually document and report these gifts to arts endowments to the Legislature in addition to reporting non-designated funds.

Historical note

ARTICLE 2. GRANTMAKING PROCEDURES FOR GRANTS FROM THE ARIZONA ARTS TRUST FUND

R2-2-201. Definitions
In this Article, unless the context otherwise requires:

“Applicant” means an organization that applies for a grant.

“Application” means the documentation and material that an applicant submits to request a grant.

“Arizona Arts Trust Fund” means the fund created by A.R.S. § 41-983.01 and funded with $15 from each annual filing fee submitted to the Arizona Corporation Commission by for-profit corporations.

“Arizona Arts Trust Fund Grant” means a general operating support grant that includes funds derived from the Arizona Arts Trust Fund.

“Board member” means a trustee of a non-profit organization elected or appointed according to that organization’s bylaws.
“Commission” means the Arizona Commission on the Arts, a
state agency, consisting of fifteen members appointed by the
Governor.

“Commissioner” means one of 15 Governor-appointed mem-
bers of the Commission responsible for the administration of
the Arizona Arts Program and the Arizona Arts Endowment
Fund.

“Criteria” means the established and published standards used
to evaluate an application to determine whether a grant award
is recommended.

“Denial conference” means the method by which an applicant
that was not recommended for a grant may request a review of
their application.

“Fiscal agent” means any Arizona organization, designated
501(c)(3) tax exempt by the Internal Revenue Service, that
accepts grant funds on behalf of an organization not meeting
the nonprofit tax-exempt requirements.

“General operating support” means a grants program adminis-
tered by the Commission that provides funds to organizations
to be used for administrative or artistic expenses, or both.

“Grant” means an award of financial support to an organiza-
tion, for the purposes requested in the application.

“Grant conditions” means specific requirements, agreed to by
the grantee in writing, that must be met or undertaken to
receive a grant.

“Grant deadline” means the published date by which an appli-
cation must be postmarked or hand-delivered to the Commis-
sion to be considered for a grant.

“Grant review panel” means a group of citizens appointed by
the Commission to review and make recommendations on
public policy and applications for grants.

“Grant review panel chair” means a Commissioner who serves
as a non-voting member of the panel to ensure that state law is
followed and that there is an open, fair process for the review
of applications by the grant review panel.

“Grant review panel comments” means documented com-
ments made by the grant review panelists during the applica-
tion review process that become the public record of the
process after the final grants are awarded.

“Grant review panelist” means an individual serving on the
grant review panel.

“Grantee” means an organization receiving grant funds.

“Guidelines” means information published annually descri-
bining the Commission’s grant program, including the application
process, forms and formats, eligibility requirements, and crite-
ria.

“Legal requirements” means the federal and state standards
and regulations including those regarding fair labor, civil
rights, accessibility, age discrimination, lobbying with appro-
priated monies, accounting records, and other published
requirements to which organizations accepting a grant must
adhere.

“Match” means an applicant’s financial contribution to a
project, in addition to a grant, that demonstrates the commu-
nity support of the project.

“Non-profit organization” means a school, governmental unit,
or corporation that is exempt from taxation under Section
501(c)(3) of the Internal Revenue Code.
B. An applicant shall submit a narrative and budget that comply with the grant guidelines and address the criteria in R2-2-203. The Commission shall provide the forms and formats for the narrative and budget to the applicant. An applicant may submit supplemental information including slides, videotapes, audio recordings, press coverage, and print or other materials that document the artistic work of the applicant.

C. The Commission shall conduct a grant review process:
   1. The Commission shall appoint grant review panels. Each panel shall be assigned a specific group of grant applications to review. The Commission shall appoint three to seven community members to serve on each of the grant review panels. Grant review panelists shall be appointed by the Commission for one year and may serve no more than three consecutive years on the same panel. No more than two members of any panel shall serve on the panel for the second and third years.
   2. Grant review panelists shall hold a grant review panel meeting. Grant review panelists shall read all the applications assigned to their panel prior to the grant review panel meeting. Upon request, grant review panelists shall attend events of the applicant or speak with a representative of the applicant to be informed about the applicant organization. At the grant review panel meeting, grant review panelists shall contribute to the discussion of the applications; rate applications based on the facts in the applications and their own professional judgments about the merit of the applications, in relation to the criteria in R2-2-203; and provide policy and procedural suggestions for the Commission.

D. Following the grant review panel process, Commissioners shall receive grant review panelists’ recommendations and grant review panel comments for each application. At the Commission meeting following the Commissioners’ receipt of grant review panelists’ recommendations, the Commissioners shall discuss the recommendations of the grant review panels and shall vote to accept, reject, or modify the recommendations of the grant review panels.

E. All applicants shall be notified in writing of the Commission’s decisions. Any applicant that is not recommended for funding may request and shall be provided a denial conference. The Commission shall establish and publish in its grant guidelines the process for requesting and receiving a denial conference. The Commission shall not provide a denial conference based on dissatisfaction with the amount of a grant.

F. All applicants shall accept in writing the grant’s legal requirements and grant conditions before grant funds are released.

**Historical note**

New Section made by final rulemaking at 8 A.A.R. 406, effective January 9, 2002 (Supp. 02-1).