

TITLE 2. ADMINISTRATION

CHAPTER 2. ARIZONA COMMISSION ON THE ARTS

(Authority: A.R.S. § 41-986)

**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
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**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 pro-
duce, 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 appropri-
ated to the Arizona Arts Endowment Fund, or to an endow-
ment 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 pro-
moted to the public.

Historical note

Adopted effective September 21, 1998 (Supp. 98-3).
Amended by final rulemaking at 8 A.A.R. 3291, effective
July 15, 2002 (Supp. 02-3).

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 endow-
ment 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 mon-
ies.
- 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 organi-
zation’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 orga-
nizations. The Commission shall annually document and
report these gifts to arts endowments to the Legislature in
addition to reporting non-designated funds.

Historical note

Adopted effective September 21, 1998 (Supp. 98-3).
Amended by final rulemaking at 8 A.A.R. 3291, effective
July 15, 2002 (Supp. 02-3).

**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 members 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 administered 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 organization, 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 application must be postmarked or hand-delivered to the Commission 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 comments made by the grant review panelists during the application 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 describing the Commission’s grant program, including the application process, forms and formats, eligibility requirements, and criteria.

“Legal requirements” means the federal and state standards and regulations including those regarding fair labor, civil rights, accessibility, age discrimination, lobbying with appropriated 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 community 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.

“Substantial interest” has the same meaning as in A.R.S. § 38-502.

“Underserved populations” means persons who are members of ethnic or racial minorities, have disabilities, or are from communities outside the metropolitan areas of Phoenix and Tucson.

Historical note

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

R2-2-202. Eligibility

To be eligible to receive an Arizona Arts Trust Fund grant under this Article, an applicant shall meet the following requirements:

1. Be based in Arizona;
2. Be a city or county government, be designated as a non-profit 501(c)(3) organization by the Internal Revenue Service, or be an unincorporated organization using an Arizona-based nonprofit 501(c)(3) organization as a fiscal agent;
3. Submit no more than the maximum allowable number of grant applications per year as published in the Commission’s guidelines;
4. Match grant funds with applicant funds as required by the Commission; and
5. Have the production, presentation, or service of the arts as its primary mission.

Historical note

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

R2-2-203. Criteria

A. The following criteria shall be used by the grant review panels and the Commission for reviewing general operating support grants and granting funds from the Arizona Arts Trust Fund:

1. Artistic quality and creativity;
2. Ability of the applicant organization’s programs to serve the needs of the community, including potential public exposure and public benefit, and efforts to reach artists and audiences from culturally diverse groups;
3. Managerial and administrative ability of the applicant organization to carry out arts programming and properly administer funds granted;
4. Appropriateness of the applicant organization’s budget to carry out its proposed programs; and
5. History of the applicant organization in producing, presenting or serving the arts.

B. Further, the Commission shall also take into consideration in approving grants:

1. Whether the applicant represents underserved populations;
2. The applicant’s employment of, or contracting with, artists who are members of racial or ethnic minorities; and
3. Inclusion of racial or ethnic minority members on applicant organizations’ governing boards.

Historical note

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

R2-2-204. Process for Obtaining a Grant from the Arizona Arts Trust Fund

A. The Commission shall establish an annual grant deadline and publish grant guidelines by January 15th of each year. Applications shall be postmarked or delivered by 5:00 p.m. on the grant deadline date. Late applications shall not be filed by the Commission but shall be returned without review.

- 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.
 3. If a grant review panelist has a substantial interest in any application, the panelist shall declare the interest verbally and in writing and shall not participate in the discussion of or the vote on the application.
 4. The grant review panel chair shall chair the grant review panel meeting and shall ensure that the discussion relates to the required criteria, that Commission policies and open meeting laws under A.R.S. 38-431 et seq. are followed, and that all grant review panelists have an opportunity to speak.
- 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).