



PROJECT GRANT 2023-2024 GUIDELINES

Revised: August 30, 2023

LRAC welcomes questions about eligibility, grant programs, and application support for grant applications. First-time applicants are especially encouraged to contact the LRAC office prior to starting an application, after first reviewing the guidelines and application instructions.

The following are subject to change for all FY24 LRAC grant programs:

- * Amount of funding available for each grant round
- * Acceptable date that your grant project activity can start

Contact the LRAC Grants Manager for more information.

Grant Information

Amount:	Up to \$3,000 per application (budgets must include a 20% cash match from applicant)
Available Funds:	\$12,131 for Fall Round (subject to change) \$18,196 for Spring Round (subject to change)
Purpose:	To fund productions, exhibits, touring artists & school residencies.
For:	Arts Organizations (nonprofit), nonprofits with projects that have arts as the primary focus, local governments, and educational institutions in the LRAC nine-county region.

LRAC Project Grant Outcome: Minnesota arts organizations report having access to the resources, information, personnel, audience, etc. they need.

Grant Schedule

Instructional Videos for Grant Writing: Available online to view after July 14, 2023.

Round #1 - Fall Project Grant

Application Available:	Monday, July 24, 2023
Application Deadline:	Thursday, September 7, 2023 at 5:00 pm
Grant Review:	LRAC Board Meeting, Tuesday, October 17, 2023
Grant Project Start Date:	<i>Project Start Date must be after November 14, 2023</i>

Round #2 - Spring Project Grant

Application Available:	Monday, December 18, 2023
Application Deadline:	Thursday, February 1, 2024 at 5:00 pm
Grant Review:	LRAC Board Meeting, Tuesday, March 19, 2024
Grant Project Start Date:	<i>Project Start Date must be after April 16, 2024</i>

**This Lake Region Arts Council Grant Program is funded through a
Minnesota State Legislative appropriation.**

Lake Region Arts Council
133 South Mill Street
Fergus Falls, MN 56537

phone: 218.739.5780
Email: LRAC4@LRACgrants.org

IA. GENERAL INFORMATION

Project Grant activities must be directly involved in the creation, performance and/or exhibition of an artistic project. The Project Grant is open to all artistic disciplines, art, dance, literary, musical performance, etc.

- The Project’s primary focus must be the artistic activity and not other purposes or goals.
- The Project’s activities must be completed in 12 months or less.
- Your organization may request funding of up to \$3,000 per application.
- **Reinstated in FY24: Proposal budgets must include a 20% cash match from applicant.**
- Your organization may apply for more than one Project Grant in each grant round.
- No organization may receive more than \$5,000 per fiscal year for multiple Project Grants from the Fall and Spring Grants rounds. The fiscal year is from July 1st to June 30th.
- **(New this year) Grant activities or spending cannot start before the LRAC grant contract is signed and submitted to the LRAC online grant system.**

Exception: University departments, public elementary schools, middle schools, high schools and community education departments in the same school district are each considered eligible to receive a maximum of \$5,000 for multiple project grants in any one fiscal year.

IB. PROJECT GRANT CATEGORIES

Project grant activities can include, but are not limited to:

A. Production or Exhibition Activities:

1. The project may directly involve the creation, performance or exhibition of *artistic* activities, or the development of an *artistic* form.
2. General operating support for festivals or fairs is not available. Organizations may apply for the specific artistic activities taking place during the festival or fair. Examples, performances, concerts, demonstrations, workshops, etc.

B. Guest Artists:

Individuals and Ensembles may be contracted from outside the organization for the purpose of artistic development. The focus is on providing the audience access to a wide variety of professional artistic experiences, such as:

- Performances by touring artist or company
- Touring exhibitions and displays
- Film and video screenings
- Public readings

No more than 10% of the total grant funding can be spent on travel cost (mileage, air fare, room and board) to bring in a presenter from outside the state of Minnesota.

The Project may concentrate on:

1. Developing the *organization*
2. Developing *individuals* or *artistic* resources of the community
3. Presenting a public performance by the visiting professional with or without the members of the organization

C. School Residencies for K-12 Public Schools:

School applicants should develop residency programs that enhance existing school curriculums. A school residency will include an interactive learning component.

Arts organizations may sponsor an artist residency program that **enhances** an existing school curriculum.

The role of the artist-in-residence is to work in cooperation with teachers to devise a plan which best corresponds to the strengths of the artist and the needs of the classes. Applicants must make sure that some component of the residency is accessible to the community, such as a public performance or exhibit.

The Lake Region Arts Council will not fund any school residency project that receives funding from the Minnesota State Arts Board.

IB. PROJECT GRANT CATEGORIES (CONTINUED)

D. Organizational Development:

This support is for the development of the arts organization to promote its artistic growth.

It is not for the continuation of ongoing managerial functions or regular staff costs.

Types of support can include:

1. Administrative or consultant services:

Funds for managerial or consultant projects for improving existing artistic programs or developing new artistic programs.

Most grants for administrative or consultant services will be awarded on a one-time basis.

Applications for a second grant for a similar project may be considered again; however organizations must demonstrate substantial need and commitment to carrying on the position after initial funding.

These services may include: public relations, audience development, design assistance, fiscal management, and other related management activities.

2. Production or planning services:

Activities that support and/or assist the needs of arts organizations and artists, or of the art needs of the general community by being commonly administered or coordinated by one agency.

Most grants requested for consultants to assist in the production or planning of arts services will be awarded on a one-time basis.

E. Publications:

Funds are available for the production of literary magazines and small press books.

Grants are also available for special publications on the arts.

Monies may be requested for editorial services, production costs, and compensation for contributing writers or distribution.

A publication that is distributed only to an organization's membership is not eligible.

F. Workshops, Classes and Arts Awareness Projects:

Activities or materials may include classes, conferences, or workshops, publications, films, exhibits and other presentations of this nature.

These activities may also culminate in a public performance or exhibit by participants.

G. Series of Events:

A series of events may be funded if there is an identifiable theme to the series. Grant funds may support artist fees, marketing, and other project expenses for multiple day activities such as workshops, concerts, demonstrations, lectures or other types of artistic presentations.

Note: Organizations may apply for more than one Project Grant in the same grant round by submitting a separate application for each Project Grant.

"This activity is made possible in part by a grant from the Lake Region Arts Council with funds appropriated by the Minnesota State Legislature."



II. APPLICANT ELIGIBILITY

Who can Apply:

- **Arts Organizations***, nonprofit, 501(c)3 with the arts as a **primary focus**.

The applicant group must have a 501(c)(3) tax-exempt status with the Internal Revenue Service, Minnesota domestic Articles of Incorporation and be in good standing with the MN Secretary of State **Or** have a fiscal agent that is a federally designated 501(c)(3) tax-exempt organization and is registered in Minnesota in the LRAC region.

Use of a fiscal agent is allowed on the organization's first application. An applicant may apply one time with a fiscal agent. The process of obtaining 501(c)(3) status must have been initiated or obtained for any subsequent applications. The proof of this step should be a copy of IRS Tax Exemption Filing from 1023 or 1023EZ.

If an applicant organization has submitted an application using a fiscal agent and obtains IRS 501(c)3 status and is registered with the State of Minnesota as a nonprofit or nonprofit LLC prior to signing the grant contract, the need for a fiscal agent will be discontinued.

- **Nonprofits**, who do not have arts as a primary focus, such as senior centers, colleges, universities and school districts/community education departments.
- **Cultural Heritage** groups with nonprofit status in Minnesota.
- **Local governments**
- Arts organizations that do not intend to relocate outside the nine-county LRAC region during of the Project Grant or until approval of the final report.

Note: if an organization leaves the LRAC region before the completion of the Project Grant, the grant funds must be returned to LRAC.

- McKnight Operating Support grantees **are eligible** to apply for LRAC Project Grants.
- **Any arts organization** receiving Operating Support Grants from the Minnesota State Arts Board in the

current LRAC fiscal year is **not eligible** to apply for LRAC Project Grants.

Non-eligible organizations are:

- For-profit businesses.
- Organizations that do not have artistic/culture related activities as the focus of their Project.
- Religious organizations.
- Organizations that intend to influence public policy.
- Organizations that are established and/or located outside of the LRAC region.
- Organizations that have an outstanding final report due to the LRAC.
- Organizations that have not submitted a complete and accurate application providing all the requested information, supporting documents, and legal documentation.

A complete and accurate application is required in order to be an eligible applicant. This includes:

- **Arts Organizations** are required to be submit the LRAC Annual Revenue and Expenses Report for their two most recently completed fiscal years.
- **Nonprofit organizations** that are not arts organizations and public entities such as K-12 schools, colleges, universities, libraries and cities, towns and counties are **not** required to complete the Annual Revenue and Expense Report.
- Project Director **Resume or Bio** (short version only)
- ***If your project is paying for Artistic Personnel***
*Resumes or bios for each individual or entity
*Work Samples demonstrating their skills
*Signed letters of commitments from each individual/entity
- ***If paying for Other Personnel:***
*Quotes for each individual or entities or
*Signed letters of commitments from each of them
- ***If requesting \$500 or more in supplies:***
*Supplies list with price details

Based on Minnesota Statute 124D. 19, Community Education programs; advisory council. Subdivision 1, Authorization. “Each school board may initiate a community education program in its district and provide for the general supervision of the program. Each board may, as it considers appropriate, employ community education staff to further the purposes of the community education program.” Any community education department will be treated as operated by the school district and will be subject to all the LRAC grant guidelines that apply to schools.

III. PROJECT ELIGIBILITY (UPDATED THIS YEAR)*

Please be sure that the proposed project does not conflict with any of the following restrictions.

The Lake Region Arts Council Project Grant program **will not fund:**

- A. Projects in which the Arts are not given primary emphasis.
- B. Applications by individuals or for-profit groups.
- C. Grant applications submitted electronically, after **5:00 pm** on the deadline date.
- D. Activities intended solely for fundraising.
- E. General operating support or requests that would reduce or eliminate accumulated deficits. The hiring of consultants is not considered an operating expense.
- F. Projects for capital improvement, endowment funds, construction, or purchase of real property (land or buildings), including purchase or installation of art that becomes the applicant's property.
- G. Purchase or long-term rental of property (including art work) or equipment costing more than **\$200 per item** or with an estimated useful life of more than one year.
- H. Payment to any employee of the organization. Organizational volunteers maybe paid with grant funds to carry out project duties such a directing or producing the funded event, or services of volunteer members may be claimed as "in kind" contributions.
- I. Events that take place outside the borders of the LRAC region. All grants funds may only be spent on projects located in Minnesota.
- J. Projects in which the activity is essentially for religious socialization.
- K. Projects that attempt to influence any state or federal legislation or appropriation.
- L. Events from which proceeds will benefit a secondary group.
- M. Projects where more than 10% of the total grant request is spent on travel cost (mileage, air fare, room and board) to bring in a presenter from outside the state of Minnesota.
- N. Budgets that request grant support for hospitality costs or purchases of supplies for "resale or re-gifting items", including food. This applies to receptions and events, not to costs of meals and lodging for performing artists.
- O. Projects involving payment of exhibition/booth fees by artists. However, it is recommended that groups charge reasonable jury/entry fees or fees for workshop or learning activities, including those which involve a public performance of skills learned in that workshop.
- P. Projects that are limited only to students, or staff/members of groups (such as Girl Scouts, 4-H, series subscription concerts, etc.). **Exceptions:** Residencies in schools or assisted living facilities. A residency is a visit or series of visits by an artist(s) to engage with participants to help them gain knowledge/skills in a particular art form. The residency must include an element that is open to the public such as a performance, exhibit, etc.
- Q. General operating support for arts festivals or fairs. Requests must be for *specific arts components* of the festival only.
- R. Use of the grant funds for awards or prizes to the participants of the project.
- S. Payments to any organization for any services, space rental, or other considerations that are owned or offered by the applicant organization. School districts and their community education programs are considered as one applicant, as are institutions of higher education and their departments.
- T. Grant activities or spending that start before the LRAC grant contract is signed and submitted to the LRAC online grant system.

LRAC Equal Access Statement:

As a publicly funded program, LRAC's re-granting of state funds must maintain high standards of fiscal responsibility and be conducted in an open manner without discrimination on the basis of national origin, race, color, creed, religion, disability, gender, status with regard to public assistance, gender preference, marital status or political affiliation.

IV. APPLICATION INSTRUCTIONS (NEW THIS YEAR)*

Application Assistance

Organizations are encouraged to contact the LRAC office early in the planning process so that staff can provide assistance.

In addition, a Project Grant Tip Sheet and step by step Instructions are available online at the LRAC website.

LRAC Board members may also provide advice and assistance to applicants during the grant preparation period. After applications are formally submitted, LRAC Board members are prohibited from discussing them with grant applicants.

An LRAC Board member who provides assistance in grant preparation must declare a conflict of interest and may not vote on or rank that application.

Advice and assistance from the LRAC staff or Board during the application process does not guarantee that the application will be completely free of errors or omissions.

Grant Training Instructional Videos

If you are a first-time applicant, you are encouraged to watch the LRAC grant writing instructional videos. Check out the LRAC4.org website for access to these videos, helpfully broken up into different topics relevant to the Project Grant.

LRAC Online Grant Application

All applicants will need to start by creating a logon profile in the LRAC Foundant online grant system.

Going forward, your email address will be your user name.

If you forget your password, you will be able to create a new one 24/7 without LRAC assistance.

After you have logged in, you will move into the Dashboard. Start the grant application by clicking on the Apply button.

Supporting Documents and Work Samples

Supporting documents and work samples will be uploaded into the Project Grant online application.

Applicants will need to follow the instructions in the application for correct file size and format for uploading their documents.

Application Submission

The application must be submitted to the LRAC Grants online application website by **5:00 pm on Thursday of the application deadline week (see page 1 for deadline dates).**

It is to the organization's advantage to submit the grant application in advance of the deadline date, as ranking ties are determined by application submission order.

Submission Confirmation

Once the application has been submitted to the LRAC online grant program, the applicant will receive an email which will be their confirmation of their submitted grant application. *The applicant should save this email to document their submission date and time.*

Application Staff Review Timeline

Once your application is submitted to the LRAC online grant system, it will be checked by the LRAC staff for errors and omissions.

If the LRAC staff has any correction recommendations, an email will be sent to the primary contact through the LRAC online grant system. Please make sure you are receiving emails from this system.

The deadline to make any recommended changes to the application will be one week from the notification to the applicant. ***Changes other than those suggested by LRAC staff are not allowed and could affect the application's eligibility. The content, accuracy and completeness of an application are solely the responsibility of the applicant.**

If the applicant takes no action or does not communicate with the LRAC office by the end of the week allowed for changes, the application will go to the LRAC Board for review **"as is"**.

V. GRANT PROCESS

Grant Review

- LRAC Board members receive copies of all applications at least one week prior to the Project Grant review session.
- After grant applications have been formally submitted, board members are prohibited from discussing them with grant applicants. Applicants should direct questions to the LRAC office staff.
- Staff may introduce any corrected application materials, clarify information, or provide supplementary information, between the time the Board receives grant application packets and the review meeting.
- Review meetings are open to the public. In fairness to all applicants, the council will consider only the information on the application form with accompanying supporting materials. Applicants may not offer additional information at the grant review meeting.
- LRAC Board, review panels and staff observe strict procedures to prevent any conflict of interest in the processing, review and selection of grant awards. The full Conflict of Interest Policy can be viewed at www.LRAC4.org/grant-management or by contacting the LRAC office.
- LRAC Board members determine the eligibility of the application based on:

First, the eligibility of the applicant and

Second, the eligibility of the project.

Any applications declared ineligible shall be eliminated from the grant review process.

- Next, through majority vote, the LRAC Board determines whether the grant application will be eligible for funding based on the three review criteria or denied funding based on a specific criteria.
- ***All applications must at least be approved on Criteria A on Page 8, section VI.***

The content, accuracy and completeness of an application are solely the responsibility of the applicant.

Ranking

- Each approved grant application will be ranked. Points acquired by each application are totaled and divided by the number of LRAC Board members ranking that project. Grants are ranked in order from high to low scores. Grants are then awarded according to their rank. **A minimum score of 65% must be achieved in order to be consider for funding.**
- Organizations should be aware that although an application may be approved for funding, its rank will determine if it is fully funded, partially funded or not funded.
- If two applications receive identical rankings, the application with the earliest submission date will be given priority.
- If the organization accepts partial funding, a revised budget will be submitted prior to submitting the Contract and Request for Payment. If the applicant refuses partial funding, the amount will be offered to the next ranked grant.

Notification Process

- **Organizations are notified of funding decisions within two weeks after the grant review.** An email will be sent and a notification letter will be mailed to the organization's primary address.
- Organizations wishing to know the funding decision after the LRAC Grant Review may log back into the LRAC Grant Site to check out the status of their application or call the LRAC office **on the following Monday after the grant review.**
- If funding is approved, the organization will be required to submit a Grant Contract and the Request for Payment form through the LRAC Foundant online grant system.

Payment and Final Report

- Upon submission of the signed grant contract and the request for payment form, 80% of the grant funds will be mailed to the organization's address of record.
- Upon receipt of the final report, the remaining 20% of the grant funds will be sent to the grantee if the final report conforms to the original project approved by the LRAC Board.

VI. REVIEW CRITERIA

The Lake Region Arts Council makes an effort to distribute available funds fairly and equitably among the different art forms and across the different geographic and cultural areas of the region. Projects supported by the LRAC are expected to encourage and reflect the highest possible standards of artistic excellence.

The LRAC Board is an 18 member board, comprised of two people from each of the nine LRAC counties. For more information about the LRAC Board, refer to the LRAC4.org/About Us/Staff and Board. All reviewing LRAC Board members will rank each application on a scale of 1 to 10 in the three criteria; **A. Need for the project, B. Merit and artistic quality, and C. Ability to accomplish.**

A perfect score would be 30 (10, 10, 10). The average score is generated based on the number of reviewing LRAC Board members. A board member that declares a conflict of interest for an applicant will not rank the application. A minimum score of 65% must be achieved in order to be considered for funding.

The LRAC uses the following review standards for all applications.

A. Need for the project

LRAC defines community need as a gap in programming, opportunity or resources for the community defined by the applicant.

Considerations used to address this criterion may include the following:

1. Tell us about the community that will benefit from this project. Communities, as defined for your project, can be small or large, and can include information about demographics, a particular group of people (e.g. the elderly, homeless, elementary age children), geography, a shared culture, marginalized groups or groups formed around an interest or particular art form.
2. What is the lack of opportunity, access or knowledge that this project addresses for your defined community?
3. How is this project of value to your defined community?
4. What methods of involvement or listening did you use to determine the need or importance of this project with members of your defined community? (Examples could include, but are not limited to: listening sessions, public forums, interviews, surveys, focus groups, feedback from audiences/ community, etc.)
5. Have you considered if this project will impact others outside your defined community? Have you considered or sought input from underrepresented groups in your community about the need for your project? Underrepresented groups could include, but are not limited to: newcomers to the community, elderly, youth, people from different tradi-

tions/cultures, people with disabilities limiting their access to the arts, etc.

If the application is determined to be of sufficient Need for the Project as to indicate further review, the following criteria will be applied:

B. Merit and artistic quality of the Project or of the service to the arts

Considerations used to address this criterion may include the following:

1. How well do the resources (qualifications of artistic personnel, facilities, activities, etc.) meet the project goals?
2. How well does the project meet or advance the artistic goals of the organization?
3. How does the project contribute to the artistic development of the respective art form and/or audience?
4. How does the project increase the variety of arts opportunities in the community or attempt new approaches to existing arts programs?
5. How does the proposed project stand out among similar efforts?

C. The ability of the applicant to accomplish the project

Considerations used to address this criterion may include the following:

1. Is the project budget feasible?
2. Are the marketing and publicity plans appropriate for the project and organization?
3. Does the organization's budget demonstrate fiscal responsibility?

VII. GRANT RECIPIENT RESPONSIBILITIES (New this year)

If a grant is received, the grantee must:

A. Sign and submit to the LRAC online grant system within **45 days** from the grant award date, the LRAC Contract Agreement and the Request for Payment form which includes the following:

Terms of Agreement:

1. Grant activities and spending cannot start before the contract is signed and submitted to the LRAC online grant system.
2. The project will be carried out in compliance with the project description, budget and dates as set forth in the application.

Any significant revisions in the project must receive prior approval of the LRAC before expenditure of grant funds.

The types of changes would include large budget expenditures, i.e. in excess of \$500, changing artists, venues or dates, or scope, focus or artistic intentions or the project. Changes can be requested at any time using the Universal Postponement/Revision Form in the online grant management platform. Any requests for revisions submitted between LRAC Board meetings will be considered at the next scheduled meeting.

Depending on the decision made by LRAC at the meetings, the grantee may or may not be required to return money to LRAC or may or may not receive their final 20% payment.

3. **Access to participation** in the project will not be limited on the basis of national origin, race, religion, age or sex.
4. The following **credit line must appear** on all programs and publicity related to the project: **"This Activity is funded in part by a grant from the Lake Region Arts Council through a Minnesota State Legislative appropriation."**
5. **Within 60 days after completion** of the project, a **narrative and financial final report** will be submitted online. This final report will include samples of publicity, programs, etc. containing the LRAC credit line in item 4.

B. Be legally responsible for the completion of the project and for the proper management of the grant funds.

If a fiscal agent is used, it must be a tax-exempt 501(c)(3) nonprofit organization, or any unit of government such as: cities, public schools, public libraries, recreation departments, or departments or agencies of the state.

The fiscal agent must have a written contract with the applicant that specifies the responsibilities of each.

The contract with the fiscal agent must be submitted with the application form.

The fiscal agent must sign the application form and, if a grant is received, sign the grant contract. The fiscal agent is legally responsible for the completion of the project and for the proper management of the grant funds.

The fiscal agent is **not** responsible for the completion of the final report, but is responsible for the verification of it through signature.

C. Maintain records, documents, or papers that show evidence of use of grant funds, **including proof of payment of all grant expenses. Acceptable documents include purchase receipts, copies of checks or bank statement line items, credit card statements or detailed organization Quick-Books/accounting reports.** The LRAC reserves the right to audit the project and/or the organization if circumstances warrant it.

D. Comply with all applicable federal, state, and local laws, rules, regulations and ordinances in relation to the use of these funds. Failure to comply may result in termination or forfeiture of the grant.

E. Comply with the requirements of the federal Americans with Disabilities Act (ADA) or show evidence of a plan to accommodate persons with disabilities. For assistance with this topic, contact the LRAC office at 218-739-5780.

VIII. MISUSE OF FUNDS PROCEDURE OVERVIEW

Description and Scope

This procedure defines misuse of funds, outlines investigation and documentation of misuse, establishes a range of consequences when misuse has occurred, and outlines a process by which a grantee may appeal consequences. This procedure applies to funds a regional arts council receives from the State of Minnesota from its general fund, its arts and cultural heritage fund, or any other State funds. The procedure does not apply to other revenue sources regional arts councils may have (e.g., contributions from other grant makers or donors, or earned income).

Objective

The intent of this procedure is to ensure that regional arts councils are managing state funds in a consistent manner; that similar consequences will be imposed when misuse of state funds occurs; and that a grantee that has misused funds will lose privileges statewide, not just in the region in which it resides.

Definition: What constitutes misuse of funds

Misuse of funds means using State of Minnesota resources for any purpose other than those allowed by:

- State of Minnesota statutes, laws, rules, policies; and
- The regional arts council receiving and disbursing the funds; and
- The program guidelines or grant contract through which funds are disbursed.

Intentional misuse occurs when the grantee knowingly spends funds in ways that are outside the allowable parameters of the State, the council, or the program. Misuse also occurs when a grantee spends funds in ways that are inconsistent with the submitted proposal and budget.

Unintentional misuse generally occurs as a result of miscommunication or misunderstanding.

A grantee that is unable to complete all proposed activities is not misusing funds. Unspent funds are not misuse. The notices and consequences described below would not apply in this situation.

Consequence Overview

Misuse of state funds is never allowed whether the misuse is intentional or unintentional— notices and consequences will be issued.

If grantee **does not return the funds:** Grantee is **permanently ineligible** to receive State of Minnesota funds from the LRAC, from the Arts Board, or from any other regional arts council.

If grantee **does return the funds:** Grantee is ineligible to receive State funds from LRAC, the Arts Board, or any other regional arts council.

Range of Consequences:

- **Misused funds are less than \$1,000** – for a period of one year from date of notification.
- **Misused funds are \$1,000 - \$5,999** – for a period of two years from date of notification.
- **Misused funds are \$6,000 or more** – for a period of three years from date of notification.

In some circumstances, LRAC may determine that consequences outside this range are appropriate and may impose them.

LRAC is required to notify all mandated art organizations of imposed consequences.

Responsibilities of LRAC when Misuse has occurred

1. Verification and documentation
2. Notice of misuse and consequences to the grantees
3. Notices to the MN State Arts Board
4. Recovery of funds
5. Consequences
6. Reinstatement
7. Appeal process

Please Refer to the **LRAC Misuse of Funds Procedure** Document on the LRAC4.org website under Grants/Grant Management for the complete policy regarding the misuse of funds or contact the LRAC office.

IX. GRANT TERMINATION

A grant contract may be terminated at any time:

- By mutual written consent of the LRAC and the recipient;
- Upon the written request of the recipient, but such termination shall not necessarily relieve the recipient of its responsibilities as set forth in the contract;
- By the LRAC upon the failure of the recipient to comply with one or more of the conditions of the contract. Such termination shall be effective upon receipt of written notice by the recipient.

X. REVOCATION OF FUNDS

A commitment of funds to a recipient may be rescinded by the LRAC if one of the following conditions exists:

1. The recipient does not submit the signed contract and/or attachments within 45 days of the date it is received.
2. The recipient does not return a revised budget and project description within 30 days of the date of notification of the LRAC action by letter.

Occasionally, additional "riders" or conditions will be placed on the use of the grant funds. These conditions, or in some cases recommendations, from the council, will be clearly outlined in the contract.

XI. APPEALS POLICY AND PROCEDURE

Grant applicants may appeal the decisions of the LRAC only on the basis of procedure used during the review of the grant applicants.

The appeals procedure is as follows:

1. Applicants must notify the LRAC office, in writing, of their wish to have an appeals hearing and the basis for the appeal. The applicant has **ten business days from the date of receipt** of the LRAC funding decision to submit this letter.
2. The appeals committee reviews the request for an appeals hearing and recommends to the chair whether or not there is a basis for an appeal. This recommendation is sent to the chair within ten business days of receipt of the request for an appeals hearing.
3. The chair then authorizes an appeals hearing or denies the request based on the committee report. If it is determined that there is no basis for an appeal, the applicant is so informed. The chair must take one of these actions within ten business days of receipt of the appeals committee recommendation.
4. When an appeals hearing is authorized, it is scheduled by the appeals committee chair with the applicant. Following the hearing, the appeals committee makes a recommendation to the LRAC at its next regularly scheduled meeting.
5. The LRAC then reviews the committee recommendations and makes a final decision on the appeal. The applicant is then notified of the LRAC's decision within ten business days of that LRAC meeting.

