Notice of Intent
Deadline
Feb. 16, 2007

Documentation
Deadline
April 20, 2007
4:30 p.m. EST

Application
Deadline
April 20, 2007
11:59 p.m. EST

Grant Period
Between
July 1, 2007 and
June 30, 2009

This program is funded by the Indiana General Assembly and the National Endowment for the Arts. Inform your communities and elected officials about the importance of public arts support to your organization and its activities.

THESE GUIDELINES WILL BE MADE AVAILABLE UPON REQUEST IN OTHER FORMATS TO MEET SPECIAL NEEDS.
ABOUT CAPACITY BUILDING AND STABILIZATION

The Capacity Building Program is a stabilization process that provides IAC support, over a 24-month period, for organizational assessment, long range planning, and plan implementation utilizing a standardized assessment tool.

What is Stabilization?
“Stabilization is a long term process that holistically addresses the needs of an organization. Stabilization improves an organization’s ability to thrive in today’s changing climate by enhancing its adaptability and financial strength.” …“Stabilization encourages independent thinking instead of providing prescriptive answers.” “The desired outcome [of stabilization] is for an organization to emerge with the managerial and financial capacity to accommodate artistic risk and implement major institutional change.”

Nancy R. Sasser
President, National Arts Stabilization

Stabilization had its origins in attempts to eliminate financial crisis through deficit relief and endowment giving. However, these efforts were narrowly focused, crisis driven, and addressed only specific aspects of management. Over time, similar problems re-surfaced, causing experts to re-evaluate their approach.

Consequently, in recent years, stabilization has widened its focus to look at organizational issues holistically -- linking financial well being to the ability to achieve organizational change. In other words, as a result of participating in a stabilization process, an organization will develop the ability to assess its strengths, weaknesses, environmental challenges and opportunities and utilize this knowledge to adjust its plans to more effectively advance its mission.

Participants in stabilization efforts develop a better understanding of their organization’s resources, capabilities, preferences, and environment. They become more comfortable with change and more secure in their ability to anticipate and respond to the environmental challenges and opportunities.

The Stabilization Process
The stabilization process begins with a team-based strategic assessment of an organization’s health. The team usually includes a group of key managers and board members, led by an outside consultant. The assessment focuses on benchmarks in areas such as governance, planning, human resources, program, communications, facilities, financial profile, and revenue generation. When the assessment is complete, the board, staff, consultant, and key stakeholders agree on a plan of action to address the critical issues identified in the assessment. Financial support for stabilization efforts generally spans multiple years and includes grants for the assessment, plan development, and plan implementation linked to the achievement of key benchmarks.
WHEN TO USE THE CAPACITY BUILDING PROGRAM

The Capacity Building Program is designed to allow arts providers to comprehensively examine their “reason for being,” mission, markets, programs, services, and governance and management structures and general operations with the aim of increased organizational effectiveness. The program is not designed to address single issue needs such as developing marketing or fund raising plans, program planning or evaluation, or feasibility studies.

Consider IAC Capacity Building Program participation (for holistic organizational analysis and improvement) when your organization fits into one of the three following categories:

1. The organization is healthy and interested in re-evaluating the organization’s mission, exploring assumptions about the organization’s service and audience, and balancing the need to ensure artistic quality and fostering participation.

2. The organization has recurring problems (i.e., deficit, staff/board turnover, poor audience participation, etc.) that may relate to overall organizational issues not specific situations;
   - The organization’s attempts to resolve recurring problems have not been successful;
   - The organization has never completed some type of overall organizational assessment;
   - The organization does not have and/or is not implementing a long range plan and/or capacity building plan;
   - The organization shows willingness for self-examination and making needed changes to improve programming and operations.

3. The organization has completed some type of overall organizational assessment in the last 5 years;
   - The organization has and is currently implementing a long range plan and/or capacity building plan and;
   - The organization wants to further strengthen its programming and operations through a process of self-examination and making needed changes.
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ABOUT THE INDIANA ARTS COMMISSION

The Indiana Arts Commission (IAC), a state agency, was established in 1969 to increase the support, awareness, and outreach of the arts in communities across the state. The Commission administers and distributes funds for arts programs and services appropriated by the Indiana General Assembly and the National Endowment for the Arts (NEA).

The agency is governed by a 15-member board of directors appointed four-year terms by the Governor of the State of Indiana. The Commission holds quarterly business meetings throughout Indiana; these meetings are open to the general public for observation. A professional staff and over 100 Hoosier volunteers from all walks of support the Commission’s programs and services.

Members of the Indiana Arts Commission

Ronald J. Stratten Chair, West Lafayette
Richard Q. Stifel, Vice-Chair South Bend
Sandi Clark, Secretary, Bloomington
Jeanne E. Mirro, Exec. Committee, Fort Wayne
William Hopper, Exec. Committee, Vincennes
Joan David, Evansville
India Cruse-Griffin, Richmond
Cynthia Frey, Columbus
Judy G. Hess, Corydon
Ms. Lee Marks. Shelbyville
S. Leonard Pas, Eminence
Irene Smith-King, Gary
Steven L. Tuchman, Indianapolis

Long-term goals
The Indiana Arts Commission has established three goals:

1. Recognize public value – articulate persuasively the public value of the arts, and evoke public awareness and ownership of this value;
2. Energize arts environment – create a state-wide ubiquitous arts environment, and an infrastructure for sustainable presence of the arts in communities; and
3. Vitalize community quality – engage in community and economic development demonstrating the role of the arts in creating places of choice.

Grant making philosophy
The Indiana Arts Commission recognizes the importance of public financial support to sustain a wide variety of artistic disciplines and expressions within Indiana. Grants will serve as an incentive for developing and strengthening the capacity of communities to plan and implement high quality arts activities. All funding decisions will be made in open processes that meaningfully involve residents in decisions about how state and federal tax dollars will be used to support the arts in each region and statewide.

Conflict of Interest policy
Indiana Arts Commission board members, staff, and volunteers must declare conflicts of interest which may preclude their impartial participation in decisions concerning state or regional policies, services, or the allocation of statewide or regional arts funding. These individuals cannot participate in related discussions or decisions when a conflict of interest is declared. (For more information, contact the IAC.)
Overview of the Indiana Arts Commission Regional Arts Partnership

In 1997, the Indiana Arts Commission (IAC) and 12 community-based organizations jointly established the Indiana Regional Partnership Initiative (RPI), a collaborative project to enhance support for arts and cultural activities statewide, especially in under-served areas. The Partnership was developed to address issues that arose during the IAC’s 1995-96 strategic planning process:

1. The desire for easy access to quality technical assistance that would further the financial, managerial, and artistic development of arts providers; and

2. The desire for more local control in the allocation of state resources for the arts.

Each of the 12 Regional Arts Partners (RAPs) works in cooperation with the IAC to provide four core services to artists, arts providers, and arts consumers in a specified multi-county region of Indiana. The core services are: cultural planning, grants making, information and referral, and technical assistance. Regional cultural planning efforts began in 1998. The Regional Arts Partners use information about the needs of local artists, arts providers, and arts consumers to develop and provide services. Beginning in 1999, the IAC provides a regional allocation of funding to all RAPs to be used for re-granting and services to arts providers within their regions. Most organizations seeking operational support or arts project funding will apply to the Regional Arts Partner which serves the county in which the applicant is located.

The IAC provides direct funding to multi-regional or statewide arts organizations, organizations requesting capacity building funds, technical assistance providers, and individual artists.

In September 2004, the Commission approved changing the name of this initiative to the Regional Arts Partnership.

Designated Indiana Regional Arts Partners

Region 1: South Shore Arts
Region 2: Community Foundation of St. Joseph County, Inc.
Region 3: Arts United of Greater Fort Wayne, Inc.
Region 4: Tippecanoe Arts Federation, Inc.
Region 5: Arts Place, Inc.
Region 6: Arts Illiana, Inc.
Region 7: Arts Council of Indianapolis.
Region 8: Bloomington Area Arts Council, Inc.
Region 9: Columbus Area Arts Council, Inc.
Region 10: Arts Council of Southwestern Indiana, Inc.
Region 11: Jasper Community Arts Commission
Region 12: Arts Council of Southern Indiana
ABOUT THE CAPACITY BUILDING PROGRAM FOR ARTS PROVIDERS

Program description
The Capacity Building Program is a 24-month process that involves commitment to organizational assessment and improvement.

Phase I: Organizational Assessment and Planning
The organization governing board, staff, and other key stakeholders, led by an outside consultant, must utilize the IAC Organizational Assessment Guide (which accompanies this application) to examine the agency’s capacities in light of governance, management, and environment challenges and opportunities. In this phase, the team will identify the organization’s strengths and weaknesses, specific areas needing improvement, and develop capacity building strategies. Phase I has two products: 1) a complete assessment report, and 2) a capacity building plan based on the assessment findings containing output, process, and outcome objectives.

- Phase I funding may begin no earlier than July 1, 2007.

Phase II: Plan Implementation
The board, staff, and outside consultant, as needed, carry out the activities identified in the agency’s capacity building plan in order to achieve governance and managerial benchmarks that will improve the organization’s long term viability. Phase II products are the accomplishment of benchmarks on the timeline specified in the plan. Grantees will provide regular progress reports to the IAC to document outcomes.

Phase II funding begins after an organization submits its assessment report and capacity building plan to the IAC.

- Phase II funding may end no later than June 30, 2009.

Grant amount
An organization may apply for up to 75 percent of allowable project costs, or $20,000, whichever is less, to be expended over a 24-month period. The minimum request is $1,000.

Match requirement
All applicants must provide at least a 25 percent match of the total expenses. Your match may be a combination of cash and in-kind (the value of necessary donated goods and services). However, at least one-half of the matches must be cash.

For example:

<table>
<thead>
<tr>
<th>Total Two-Year Expenses</th>
<th>Maximum Two-Year Grant Request</th>
<th>Required Two-Year Match</th>
<th>Minimum Two-Year Cash Match</th>
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<td>5,000.</td>
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<td>10,000.</td>
<td>7,500.</td>
<td>2,500.</td>
<td>1,250.</td>
</tr>
</tbody>
</table>
Notice of Intent to Apply
The IAC requires any organization interested in applying to this grant program to submit a Notice of Intent to Apply form. This form can be found by clicking the link http://www.in.gov/arts/grants/program.html or by typing this link into a web browser. The Notice of Intent to Apply form must be submitted (mailed or hand-delivered) to the IAC office by 4:30 p.m. EST, on Friday, Feb. 16, 2007. Late or faxed intent notices will not be accepted.

Application deadline
Applications must be submitted electronically by 11:59 p.m. EST, on Friday, April 20, 2007. Late or faxed applications will not be accepted. Documentation that cannot be submitted electronically must be delivered to the IAC office by 4:30 p.m. EST, on Friday, April 20, 2007. Late or faxed documentation will not be accepted.

Grant period
Funding will begin July 1, 2007 and end June 30, 2009.

Who may apply?
Organizations must meet five basic requirements to apply:
1. Must have arts programming and/or services as its primary mission
2. Must be a private, nonprofit, tax-exempt organization, incorporated in the state of Indiana.
3. Must have received recognition of tax-exempt status from the Internal Revenue Service (IRS).
4. Must be Indiana-based and have an Indiana address. Nonprofit corporations that are based in another state must be registered in Indiana as a Foreign Corporation, have an Indiana address, and provide arts activities in Indiana to be eligible.
5. Must be in good standing with the IAC and in compliance with all IAC requirements.

What activities the grant will support
Phase I funding can be used for all allowable expenses related to the execution of the organizational assessment, including consultant fees.

Phase II funding can be used for all allowable expenses related to implementing the Capacity Building Plan developed in Phase I.

Program restrictions
- Funding may not be used for single-issue or program planning, i.e., to develop a marketing or fund raising plan or develop a new arts program.

- The prospective consultant for Phase I must speak with IAC staff prior to submission of the Capacity Building application and before the contract between the grantee and the consultant is finalized.

- Funding may not be used for new or existing employee salaries or benefits.

- Consultants (who are paid or unpaid) utilized in conjunction with the Capacity Building Program may not be current employees, board members, or key volunteers of the applicant or family members or business associates of the same.

- IAC-funding cannot be used for the following expenses:

  1. cash reserves; deficit reduction, or deficit elimination;
  2. events in private dwelling places or other locations not open to the general public;
  3. consumable supplies and materials not directly related to the project;
4. capital acquisitions (purchase of artwork, etc.); capital expenditures; restoration, or new construction of buildings;
5. costs of receptions, food, or beverages;
6. travel outside the United States;
7. indirect costs or underwriting for ongoing residencies or curricular programs in degree-granting colleges and universities;
8. activities not associated with arts programs and services;
9. projects to be delivered outside the state of Indiana;
10. project expenses outside the state fiscal year and grant period (July 1-June 30); and
11. activities that are solely for the purpose of fundraising, private functions, religious services, lobbying activities, or any non-public activity.

**HOW TO COMPLETE AND SUBMIT AN APPLICATION**

**Getting started**

*Please read the entire guidelines, instructions, and application packet before beginning.* All organizations planning to apply for FY 2008 - FY 2009 Capacity Building funding must submit a Notice of Intent to Apply form. Download the form at [http://www.in.gov/arts/grants/program.html](http://www.in.gov/arts/grants/program.html).

**Required pre-application consultations**

All prospective organizations and their consultants for Phase I must consult with IAC staff prior to the submission of the CBP application. Staff will contact you after we receive your Notice of Intent to Apply form, or you can contact Monica R. Peterson at 317/232-1279 or mpeterson@iac.in.gov.

**General instructions for completing and submitting your application**

This application must be completed and submitted electronically to the IAC by going to [http://www.in.gov/arts/grants/program.html](http://www.in.gov/arts/grants/program.html). Handwritten applications will not be accepted. If you have problems using the online system, please contact the IAC help desk by phone at 317-232-1277 or e-mail at grantsadmin@iac.in.gov for assistance.

- Accompanying documentation (i.e. Articles of Nonprofit Incorporation-if applicable; IRS Determination Letter of Tax Exempt Status-if applicable); and an annual financial statement may be scanned and submitted electronically.
- Submit only the information requested. Including additional material will not enhance your chances of being funded. Submitting extra materials can make your application ineligible.
- It is important that the advisory panel reviewing Capacity Building applications has similar information from all applicants. Provide them with complete information about your organization and proposed organizational assessment activities by answering all the questions. Be concise, clear, and as brief as possible in your responses.
- Keep a copy of the completed application for your own files.
APPLICATION REVIEW PROCESS

**Staff review of submitted applications**
Applicants must provide complete information, and provide support documents (as requested) to allow for a uniform review of the application.

After you have submitted your application to the IAC, staff will review your materials to ensure that all required information was submitted.

**Advisory panel review**
The Indiana Arts Commission’s Program Evaluation Committee is charged with reviewing the grant applications in this category.

The Program Evaluation Committee will convene to review submitted applications in the summer of 2007. The review sessions are open to the public for observation and may be recorded. Applicants will be invited and are encouraged to attend, but cannot interact with or Committee members on behalf of their applications before, during, or after the meeting.

**How applications and reports are evaluated**
The Committee will review all applications and reports to evaluate how well they meet the following criteria:

**Application:**
1. Expected benefits and concerns of participation are clearly stated.
2. Critical issues to be addressed are clearly stated.
3. Rationale for planning approach is clearly stated.
4. There is evidence of the board’s commitment to the capacity building process.
5. The consultant is qualified and appropriate for the project.
6. The organization and their consultant have discussed their application with the IAC staff.
7. The types of services to be provided by the consultant are clearly explained.
8. The consultant selection process is clearly explained and appropriate.
9. The planning team charge clearly specifies roles and responsibilities and is approved by the board.
10. The proposed composition of the planning team is appropriate.
11. The role of the full board in the planning process is clearly explained and seems adequate.
12. The project manager is qualified and appropriate for the project.
13. The steps for conducting the assessment and developing the plan are clearly stated, seem reasonable, and provide sufficient detail.
14. The target dates for completing the assessment and developing the capacity building plan seem reasonable.
15. Income and expenses are clearly stated and the budget appears reasonable.
Year One Interim Report (Covers results of Phase I and projections for Phase II):
1. IAC Organizational Assessment for Arts Organization was used.
2. Benefits from Phase I participation are clearly stated.
3. Organizational strengths and weaknesses are clearly stated.
4. Opportunities and threats are clearly stated.
5. Critical issue is clearly stated.
6. Planning team composition approximated proposed composition and was adequate.
7. Other persons who participated in the assessment and planning process were appropriate.
8. The board approved the assessment report.
9. The assessment report outlines the areas of governance and management that were evaluated.
   Findings, conclusions, and recommendations are clearly stated and seem reasonable.
10. The board approved the capacity building plan.
11. The plan contains specific goals, strategies, persons responsible, deadlines and benchmarks that are
    clearly stated, seem reasonable, and provide sufficient detail for implementation.
12. The consultant is qualified and appropriate for the project.
13. The types of services to be provided by the consultant are clearly explained.
14. The consultant selection process was clearly explained and appropriate.
15. The role of the full board in the implementation process is clearly explained and seems adequate.
16. The means for evaluating goal attainment are adequate.
17. The project manager is qualified and appropriate for the project.
18. Expenses and income are clearly stated and budget appears reasonable.

Commission action
The Indiana Arts Commission will review and ratify all funding recommendations from the Program
Evaluation Committee for the initial 24-month period. Commission meetings are open to the public for
observation and may be recorded. The Program Evaluation Committee has the authority to recommend
funding adjustments to the full Commission.

Reconsideration policy and appeal process
The reconsideration process is designed to review the method and fairness of the IAC decision concerning
a grant application. This process is not intended to impose a different choice/judgment over the
Committee’s decision. Dissatisfaction with the denial of a grant or the amount of an award is not
sufficient reason for an appeal.

Applicants may request reconsideration of a funding decision if the applicant can demonstrate:

1. the Committee used incorrect review criteria; and/or
2. there was influence by an IAC staff person having a conflict of interest; and/or
3. required information submitted by the applicant was withheld from consideration.

Applicants must send a formal letter to the IAC Executive Director stating the reason for reconsideration,
based on one or more of the three points above, and evidence of the grounds for the appeal. The letter
must be received in the IAC office within 30 days of notification of the IAC grant award in question.

An appeals committee, appointed by the IAC Chair, will review all requests for appeal and make
recommendations to the full Commission at its next business meeting. All decisions of the Commission
are final and may not be appealed further.
MANAGING YOUR GRANT

Notification of your grant award
All applicants will be notified of grant decisions after the Commission meets and approves the grants (June 2007). Grantees will electronically receive an award letter, grant agreement, Automated Funds Transfer Authorization (Direct Deposit) form and other pertinent materials which will need to be completed, signed and returned to the IAC office before the grantee’s first payment can be processed.

Acknowledgment and credit of public funding
Broad public visibility of the success of Indiana’s artists and arts organizations is essential. By promoting yourself, your activity, and your state-funded grant, you are working to strengthen the role of the arts in Indiana. You are demonstrating to the community the impact of the arts and how the money legislators have allocated for the arts is being well spent.

One important way you can demonstrate the importance of public funding for the arts is to credit the Indiana Arts Commission and the National Endowment for the Arts in all publicity and printed materials associated with your funded activities. For recipients of an organizational support grant, this means all activities and programs of the organization. It is important that we have help from the major arts organizations in the state as we work to promote and encourage the arts in Indiana.

How to use the IAC logo and credit line
There are ways to incorporate the credit language and logo into your publicity and informational materials. Including this information in as many places as possible helps your community understand the impact of public funding of the arts. Below are some specific requirements for the Capacity Building grant program. Since it is specifically for internal assessment, the requirements for more public activities are not applicable. If however, any documents are produced as a part of the Capacity Building grant program, it must contain the IAC logo and the following credit line: Provided with support from the Indiana Arts Commission, a state agency, and the National Endowment for the Arts, a federal agency.

The credit logo is supplied to all grant recipients via the IAC website. The image can be manipulated as needed. It is also available on diskette by request. The logo must be reproduced as a unit without alteration outside of size.

Verbal Credit
When written credit is not applicable, such as when there is no printed program, give verbal credit prior to activity. If an announcement is not feasible, consider a sign in the lobby or activity space.

Grant Agreement
The Grant Agreement is your official contract with the Indiana Arts Commission. Capacity Building grantees will be issued one Grant Agreement for the biennium. Read this document carefully as you will be responsible for meeting all the terms and conditions it contains. The Grant Agreement must be signed by the board chair, president, or executive director and returned to the IAC. Your signed Grant Agreement will be reviewed by three other state agencies – The Indiana Department of Administration, the Budget Agency, and the Office of the Attorney General. This is standard procedure and usually takes anywhere from one to two months to complete. When all state official signatures have been affixed to the document, a copy of the fully executed agreement will be sent to you. The original is kept on file at the Indiana Arts Commission. The IAC will not recognize any contractual obligation to an organization without a fully executed copy of the Grant Agreement on file.
Contract Clearance Statement
The IAC is required to certify that all grantees are in good standing with the Indiana Department of Revenue and the Department of Workforce Development prior to signing a grant agreement.

If an applicant is determined to not be in good standing with the above named agency, they will receive notice from the IAC and must contact the agency to resolve any issues. The Help line phone number is: Department of Revenue 1-800-891-6499. The IAC will not be able to confirm the nature of the issue as it is proprietary information between the appropriate state agency and the individual. Once any issues are resolved, the applicant must contact the IAC to resume the contract process.

Automatic Funds Transfer (Direct Deposit)
Effective July 1, 2005, Indiana Code 4-13-2-14.8 went into effect. The law states every person or entity that has a contract with the State (in this case the IAC) "shall authorize in writing the direct deposit by electronic funds transfer of all payments by the State (the IAC) to the vendor (grantee)."
Direct deposit of grant checks saves the State of Indiana and the Indiana Arts Commission the cost of mailing paper checks and is more efficient for the IAC grant recipients. The IAC cannot process grant payments without a copy of this form.

Letter to local legislator
Grantees are required to write at least three letters to their local legislators to thank them for making the funds available through the Indiana Arts Commission. The letters should raise the legislator’s awareness of the project that was funded in their community; you will be asked to submit a copy of your first letter along with your grant agreement packet, a copy of the second letter with the interim report, and a copy of the final letter along with the final grant report.

First grant payment
The first payment of your grant will be for 90 percent of the Phase I grant allocation. Funds will be transferred to the grantee’s bank account after the grant agreement has been approved by all three State agencies. Please Note: In general, it takes three months from the time the correctly completed forms (grant agreement, direct deposit, etc) are submitted until the recipient receives the first payment. Also, remember to include copies of the thank you letters to legislators. The IAC will do everything it can to keep this amount of time as short as possible.

Second and third grant payments
The second payment will be for the balance of the total Phase I allocation (the final 10 percent) and will be made following receipt and approval the first progress report which will include the assessment report.

The third payment will be for 90 percent of Phase II grant allocation and will be made following receipt and approval of the interim report, capacity building plan, and copies of the second legislative letters. The second and third grant payments might be combined into one check.

Fourth grant payment
The fourth and final payment will be for the balance of the total Phase II allocation (the final 10 percent) and will be made following receipt and approval of the final grant report and copies of the third legislative letters.

Reports (The exact due dates can be found on Page 1 of your Grant Agreement)

Progress and Interim Reports
Each Capacity Building grant recipient must submit two progress and one Interim reports via the IAC website after the start of Phase I. A copy of each report form will be available through the online grant
system as soon as the previous reports are completed. The progress reports will detail the accomplishments, challenges and benefits of your capacity building activities to date. The interim report will include: reporting on the activities and programs that were carried out during the first year of the biennium; a complete, detailed financial accounting that indicates how state, local, and/or private funds were expended; information on the outcomes and results of Phase I of the project and projections for Phase II of the project.

**Final Grant Report**

All Capacity Building grantees must submit a completed Final Grant Report no later than May 29, 2009. The form will be available through the online grant system as soon as the previous reports are completed. It will include: reporting on the activities and programs that were carried out during the second year of the biennium; a complete, detailed financial accounting that indicates how state, local, and/or private funds were expended; and information on the outcomes and results of Phase II of the project.

**Project Modifications**

During the period of time covered by the Grant Agreement, you must give the IAC prior written notice of any major changes that may affect the funded project, such as significant changes in budget, personnel, dates, scope of activities, etc (via the online grant system – http://culturegrants-in.org/). Changes that significantly alter the scope of intention of the project will not be approved. You may be required to return all or a portion of your grant money to the IAC.

**Records retention**

Grantees must provide access to any books, records, documents and papers pertaining to the grant for purposes of program or financial review by the IAC or its agents. Adequate records need to be maintained to substantiate all financial and program information reported to the IAC for a period of no fewer than three years.

**Monitoring**

The Indiana Arts Commission will monitor the assessment process and activities funded through this category. You will be advised if your organization has been selected for a random field audit.

**CONDITIONS AND REQUIREMENTS**

**Public manifestation**

There must be a public manifestation of all funded activities within the year they are supported. “Public manifestation” means the project must result in a product or activity that is available to the public. “Available” means activities must be accessible to persons with special needs and open to the audience, participants, or public, either free or by reasonable admission or service charge.

**Civil Rights**

The Indiana Arts Commission complies with all state and federal laws and regulations concerning civil and human rights and must assure that programs, awards, and employment practices are free of any discrimination based on race, color, national origin, physical disability, religion, gender, or age.

*Your signed grant application and Grant Agreement indicates that your organization understands and is in compliance with these laws:*

- Title VI of the Civil Rights Act of 1964 (42 U.S.C. 200d) which provides that no person in the United States shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subject to discrimination under any program or activity receiving federal financial assistance.

• Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 706) provides that no otherwise qualified handicapped individual in the United States, as defined in the law, shall, solely by reason of his handicap, be excluded from participation in, be denied the benefits of, or be subject to discrimination under any program or activity receiving federal assistance.

  The term "handicapped individual" means "any person who (a) has a physical or mental impairment that substantially limits one or more of such person's major life activities, (b) has a record of such an impairment, or (c) is regarded as having such an impairment."

• Americans with Disabilities Act of 1990 which provides for nondiscrimination in public accommodation on the basis of disability.

• Title IX of the Education Amendments of 1972 which provides that no person in the United States shall, on the basis of sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any education program or activity receiving federal assistance.

• The Age Discrimination Act of 1975 which provides for nondiscrimination in federally assisted programs on the basis of age.

**Drug-free workplace**

The Drug Free Work Place Act of 1988 requires that employees of the grantee not engage in the unlawful manufacture, distribution, dispersion, possession, or use of controlled substances in the grantee’s workplace or work site.

**Fair Labor Standards**

Applicants must follow Fair Labor Standards which provide that all professional performers and related or supporting professional personnel employed on projects or productions that are financed in whole or in part by this grant will be paid, without subsequent deduction or rebate on any account, not less than the minimum compensation as determined by the Secretary of Labor to be the prevailing minimum compensation for people employed in similar activities.

No part of any project or production that is financed in whole or in part under this grant will be performed or engaged in under working conditions that are unsanitary, hazardous, or dangerous to the health and safety of the employees engaged in a project or production. Compliance with the safety and sanitary laws of the state in which the performance or part thereof is to take place shall be prima facie evidence of compliance.
NOTICE OF INTENT TO APPLY
FY 2008 – FY 2009
Capacity Building Grant Program for Arts Providers

All organizations intending to apply for FY 2008 – FY 2009 funding in the Capacity Building grant category must submit this notice to the IAC by 4:30 p.m. E.S.T., FEBRUARY 16, 2007.

The IAC will consult with all applicants in this category to confirm the organization’s eligibility to apply and may discuss other available funding options.

ORGANIZATION LEGAL NAME:

CITY, STATE AND ZIP+4:

NAME OF APPLICATION CONTACT PERSON:

CONTACT TITLE:

CONTACT TELEPHONE (include area code):

FAX: E-MAIL:

Is this the first time the organization will apply in this category: □ Yes □ No

The above named organization intends to apply for FY 2008 – FY 2009 IAC support in the Capacity Building category. The organization understands that it and its selected consultant must meet with IAC staff prior to submitting an application.

___________________________________________________  ______________________
Authorizing Official       Date

Mail completed form to:

Indiana Arts Commission
Attention: Monica R. Peterson
150 W. Market Street. Suite 618
Indianapolis, IN 46204
WORKING WITH CONSULTANTS

What is Consulting?
Consulting can be defined as “professional work performed by trained and experienced people whose aim is to help the client.” A good consultant can diagnose problems, recommend solutions and, when necessary, help implement those solutions. The consultant’s principal value is the ability to tailor analyses and advice to the particular client’s situation.

Why Hire a Consultant?
- Objectivity – an outsider’s view uninfluenced by internal politics or previous commitments.
- Expertise – brings specialized experience and training.
- Regeneration – education on latest concepts.

How to Locate a Consultant?
- Professional association listing
- Trusted friends and colleagues

How to Select a Consultant?
The Executive Director can take the following steps, alone or in conjunction with representatives from the planning team.

- Identify your needs
  Determine the nature and general scope of the project before contacting prospective consultants.

- Review candidates
  Review the qualifications and experience of several consultants in relation to the project.

- Meet the candidates
  Hold preliminary discussions with a handful of candidates.

- Request proposals
  Have each prospective consultant discuss in writing the project and his/her approach to it.

- Check references
  Review reports of previous consultant work; talk with individuals who have hired and actually worked with the consultant.

- Study proposals
  Weigh the information from each consultant carefully. Look for understanding of the problem, probable benefits and costs of the suggested approach, and the experience and skills of the consultant.

- Conduct final negotiations with the selected consultant
  Negotiate a concise written contract outlining fees and services. Include: a definition of the project; the objectives and scope of the project; a recommended program for accomplishing the work; a description of the methods to be used; a time schedule; and an estimate of fees and the method of payment.
For income tax purposes, assure that contract wording makes clear that the consultant is an independent Consultant not an employee. Many consultants will have their own standard contract. If this is presented, review it carefully to assure that the wording meets or can be revised to meet the needs of both parties.

**The Working Relationship**

The client-consultant relationship will determine the success of the engagement. A productive engagement requires that each party learn the other party’s needs. To establish an effective relationship:

- Discuss the basic motivations of the project with the consultant
- Announce the arrival of the consultant to all personnel who will work with him/her
- Inform the consultant of the climate in which he/she can expect to work
- Provide management support for the project
- Respect the fact that the consultant is an independent agent
- Guide, coordinate, and keep in touch with the project as it progresses

**Evaluating the Consultant**

An important measure of the value of the consultant’s assistance is the number of recommendations that are implemented. Other questions to consider are:

- Did the consultant actually do what was outlined in the contract agreement?
- Did the consultant follow the proposed timetable?
- Did you get the services of the consultant with whom you contracted, or were several junior partners delegated responsibility for your projects?
- Did the consultant work effectively with the organization’s board, staff, and other personnel?
- Did the consultant maintain an open-minded, professional posture in analyzing and studying your situation?
- Were the special talents, experience, and knowledge of the consultant applied?
- Were sound facts presented to substantiate judgments?
- How effective was the presentation of findings to board and staff?
- Were the consultant’s recommendations and methods appropriate and feasible for your organization?
Dear Ms./Mr.:

Pursuant to your request, (Consultant) is submitting herein our proposal to complete a (name of project) for the (Client).

BACKGROUND
Based on our previous discussions and meetings, we understand that the (Client) wishes to participate in the Indiana Arts Commission’s Capacity Building Program to evaluate the organization’s health and viability, and to determine and implement strategies for more effective governance, management, and program operations.

The organizational assessment will be conducted by a planning team utilizing the IAC organizational assessment guide and other organizational development tools as deemed necessary by the organization. The board of directors wants to complete the assessment by (date) and adopt a capacity building plan by (date).

SCOPE OF SERVICES
(Consultant) proposes to facilitate the organizational assessment and capacity building plan development processes, providing the following deliverables:

- Discuss with the IAC the Capacity Building Program
- Assist organization to assemble the planning team including conceptualizing the team charge, membership criteria, and member selection
- Finalize the project work plan
- Coordinate all planning activities
- Facilitate meetings of the planning team
- Facilitate at least two focus group meetings
- Conduct at least five key informant interviews
- Develop a written report documenting the organizational assessment process, findings, and implications for organizational change
- Facilitate a joint board / planning team retreat to develop the major themes of the capacity building plan
- Develop the initial and final versions of the capacity building plan, including priorities, goals, strategies, dates for accomplishment, and responsible parties

QUALIFICATIONS OF SERVICE PROVIDER
(Consultant) will provide the services. (Consultant) holds a joint MPA/MBA from Case Western Reserve University and has over 25 years experience in community, organizational, and project planning. He is a former Vice President for Strategic Planning for the largest private hospital in Ohio and is a current faculty member of the Indiana University Fund Raising School. As a former Director of Administration for the Ohio Arts Council, (Consultant) was responsible for the financial management of over $50 million dollars in public arts funding. A current board member of the Indiana Advocates for the Arts, (Consultant) is a recipient of his alma mater’s “Distinguished Alumnus Award” recognizing his many volunteer and civic activities. See attached vitae.
**FEE FOR SERVICES**
(Consultant) will perform this project for (total amount) inclusive.

- Advisory Committee Development   (#) hours
- Work Plan Development             (#) hours
- Assessment Process                (#) hours
- Focus Group Meetings              (#) hours
- Key Informant Interviews          (#) hours
- Planning Retreat                  (#) hours
- Assessment Report                 (#) hours
- Capacity Building Report          (#) hours

TOTAL                                   (#) hours @ ($ per hour = (total amount)

If a significant change in scope of services is necessary, further discussions may be warranted concerning estimated fees.

**ACCEPTANCE**
In the event the (Client) approves (Consultant) for this engagement, please so indicate by signing, dating, and returning two copies of the enclosed Independent Consultant Agreement. I will return one signed copy to you.

Consultant Name and Title and Date:
APPENDIX C

SAMPLE CONSULTANT CONTRACT

Independent Consultant Agreement

This Agreement is made between the (Organization), with a principal place of business at street, city, state, zip code, and (Consultant), with a principal place of business at street, city, state, and zip code.

Services to be performed
Consultant agrees to perform the following services on Organization’s behalf:

Complete an organizational needs assessment of (Organization) by (date) and in accordance with Indiana Arts Commission standards for organizational assessment.

Deliverables:

- Analyze existing data
- Identify additional data to be collected and devise strategies for expanding input
- Complete data collection
- Develop a written report documenting the organizational assessment process, findings, and implications for the organization

Payment
In consideration for the services to be performed by Consultant, Organization agrees to pay Consultant (dollar amount).

Terms of Payment
Consultant shall be paid ($ amount) upon signing this Agreement and the remaining amount due when Consultant completes the services and submits an invoice. Organization shall pay Consultant within 30 days from the date of Consultant’s invoice.

Late Fees
Late payments by Organization shall be subject to late penalty fees of (amount or percent) per month from the due date until the amount is paid.

Expenses
Consultant shall be responsible for all expenses incurred while performing services under this Agreement. However, Organization shall reimburse Consultant for all reasonable travel and living expenses necessarily incurred by Consultant while away from Consultant’s regular place of business to perform services under this Agreement. Consultant shall submit an itemized statement of such expenses. Organization shall pay Consultant within 30 days from the date of each statement. Organization shall also reimburse Consultant for the following expenses that are directly attributable to work performed under this Agreement:

- travel expenses other than normal commuting, including airfares, rental vehicles, and highway mileage in company or personal vehicles at ($ amount) per mile
- telephone, fax, and online charges
- postage and courier services
- printing and reproduction
- graphic artist services
computer services, and
other expenses resulting from the work performed under this Agreement.

Consultant shall submit an itemized statement of Consultant's expenses. Organization shall pay
Consultant within 30 days from the date of each statement.

Materials
Consultant will furnish all materials and equipment used to provide the services required by this
Agreement.

Term of Agreement
This Agreement will become effective when signed by both parties and will end no later than (date).

Terminating the Agreement
With reasonable cause, either party may terminate this Agreement effective immediately by giving
written notice of termination for cause. Reasonable cause includes a material violation of this Agreement,
or non-payment of Consultant's compensation after 20 days written demand for payment. Consultant shall
be entitled to full payment for services performed prior to the effective date of termination.

Independent Consultant Status
Consultant is an independent Consultant, not Organization’s employee. Consultant's employees or sub-
contractors are not Organization's employees. Consultant and Organization agree to the following rights
consistent with an independent consultant relationship.

Consultant has the right to perform services for others during the term of this Agreement.
Consultant has the sole right to control and direct the means, manner and methods by which the
services required by this Agreement will be performed.
Consultant has the right to hire assistants as sub-contractors, or to use employees to provide the
services required by this Agreement.
The Consultant or Consultant's employees or sub-contractors shall perform the services required by
this Agreement; Organization shall not hire, supervise or pay any assistants to help Consultant.
Neither Consultant nor Consultant's employees or sub-contractors shall receive any training from
Organization in the skills necessary to perform the services required by this Agreement.
Organization shall not require Consultant or Consultant's employees or sub-contractor to devote full
time to performing the services required by this Agreement.
Neither Consultant nor Consultant's employees or sub-contractors are eligible to participate in any
employee pension, health, vacation pay, sick pay or other fringe benefit plan of Organization.

Intellectual Property Ownership
Consultant grants to Organization a royalty-free nonexclusive license to use anything created or
developed by Consultant for Organization under this Agreement (Contract Property). The license shall
have a perpetual term and the Organization may not transfer it. Consultant shall retain all copyrights,
patent rights and other intellectual property rights to the Contract Property.

Confidentiality
During the term of this Agreement and for six months afterward, Consultant will use reasonable care to
prevent the unauthorized use or dissemination of Organization's confidential information. Reasonable
care means at least the same degree of care Consultant uses to protect its own confidential information
from unauthorized disclosure. Confidential information is limited to information clearly marked as
confidential, or disclosed orally and summarized and identified as confidential in a writing delivered to
Consultant within 15 days of disclosure. Confidential information does not include information that:
the Consultant knew before Organization disclosed it
is or becomes public knowledge through no fault of Consultant
the Consultant obtains from sources other than Organization who owe no duty of confidentiality to Organization, or
the Consultant independently develops.

**Local, State and Federal Taxes**
Consultant shall pay all income taxes, and FICA (Social Security and Medicare taxes) incurred while performing services under this Agreement. Organization will not:

- withhold FICA from Consultant's payments or make FICA payments on Consultant's behalf
- make state or federal unemployment compensation contributions on Consultant's behalf, or
- withhold state or federal income tax from Consultant's payments.

The charges included here do not include taxes. If Consultant is required to pay any federal, state or local sales, use, property or value added taxes based on the services provided under this Agreement, the taxes shall be separately billed to Organization. Consultant shall not pay any interest or penalties incurred due to late payment or nonpayment of any taxes by Organization.

**Notices**
All notices and other communications in connection with this Agreement shall be in writing and shall be considered given as follows:

- when delivered personally to the recipient's address as stated on this Agreement
- three days after being deposited in the United States mail, with postage prepaid to the recipient's address as stated on this Agreement, or
- when sent by fax or telex to the last fax or telex number of the recipient known to the person giving notice. Notice is effective upon receipt provided that a duplicate copy of the notice is promptly given by first class mail, or the recipient delivers a written confirmation of receipt.

**No Partnership**
This Agreement does not create a partnership relationship. Neither party has authority to enter into contracts on the other's behalf.

**Applicable Law**
This Agreement will be governed by the laws of the state of Indiana.

**Exclusive Agreement**
This is the entire Agreement between Consultant and Organization.

**Dispute Resolution**
If a dispute arises under this Agreement, the parties agree to first try to resolve the dispute with the help of a mutually agreed-upon mediator in (location). Any costs and fees other than attorney fees associated with the mediation shall be shared equally by the parties. If it proves impossible to arrive at a mutually satisfactory solution through mediation, the parties agree to submit the dispute to binding arbitration in (location) under the rules of the American Arbitration Association. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction to do so. However, the complaining party may refuse to submit the dispute to mediation or arbitration and instead bring an action in an appropriate Small Claims Court.
**Contract Changes**

Organization and Consultant recognize that:

- Consultant's original cost and time estimates may be too low due to unforeseen events, or to factors unknown to Consultant when this Agreement was made
- Organization may desire a mid-project change in Consultant's services that would add time and cost to the project and possibly inconvenience Consultant, or
- Other provisions of this Agreement may be difficult to carry out due to unforeseen circumstances.

If any intended changes or any other events beyond the parties' control require adjustments to this Agreement, the parties shall make a good faith effort to agree on all necessary particulars. Such agreements shall be put in writing, signed by the parties and added to this Agreement.

**Attorneys' Fees**

If any legal action is necessary to enforce this Agreement, the prevailing party shall be entitled to reasonable attorney fees, costs and expenses in addition to any other relief to which he or she may be entitled.

**Signatures**

Organization:

By: _______________________ ______________________
    (Signature)   (Typed or Printed Name)

Title: ____________________________________ Date:__________________

Consultant:

By: __________________________________________________________
    (Signature)   (Typed or Printed Name)

Title: ____________________________________ Date:__________________

Consultant Taxpayer ID Number:
SAMPLE PLANNING TEAM CHARGE

Background
Following five years of operation, the board of directors of the (name of organization) will conduct a systematic organizational assessment in order to strengthen the effectiveness of the organization’s programs and services. The assessment’s findings will be used to guide necessary changes in the areas of governance and management and will inform ongoing strategic planning efforts.

Charge
The Planning Team is an ad hoc committee of the (name of organization) board of directors. The Team will conduct an organizational assessment and make recommendations to the board of directors regarding needed changes in governance and management. The Team is further charged with developing and recommending to the board, a capacity building plan that specifies the actions, timetable, and persons responsible for implementing organizational development activities.

Membership
The chairperson of the board will appoint the team’s chair and members. The Team Chair will be a current member of the board. The Team will, at a minimum, be composed of (#) members of the board of directors, appointed by the chairperson of the board. The executive director of the (name of organization) will also be a member of the Team. Additional at-large members, representing key stakeholders (donors, members, artists, etc.) may be appointed at the discretion of the board chairperson.

Scope of Work
The Team’s work will encompass the areas noted above, as well as any other activities needed to accomplish its charge. Specifically, the Team will:

- gather and review pertinent data and information about the organization and its environment;
- use a standard assessment tool, approved by the Indiana Arts Commission, to complete the assessment;
- identify strengths, weaknesses, and critical issues facing the organization;
- report findings and recommendations to the board of directors; and
- develop and recommend to the board a capacity building plan based on findings from the assessment.

Timetable
The Team will meet at least (#) times to accomplish its charge. Assessment findings and recommendations will be presented to the board at its (month/year) meeting. The capacity building plan will be completed by (month/year).

Personnel
The Executive Director of the (name of organization) will manage the capacity building process. An independent consultant will be engaged to guide the assessment and plan development process.

Expenditures
The expenses for the assessment and plan development process will be covered in part by a grant from the Indiana Arts Commission and matching funds from the organization.
# APPENDIX E

## SAMPLE PLANNING TIMETABLE – for Phase I

<table>
<thead>
<tr>
<th>TASK</th>
<th>DEADLINE</th>
<th>RESPONSIBLE</th>
</tr>
</thead>
</table>
| 1.   | Decide to participate in capacity building process | Month/Year | Board  
|      |                |                           | Executive Director |
| 2.   | Consult with IAC staff | Jan./Feb. 2007 | Executive Director |
| 3.   | Select consultant   | Jan./Feb. | Executive Director  
|      |                |                           | Board             |
| 4.   | Submit Notice of Intent | **Feb. 16, 2007** | Executive Director |
| 5.   | Consultant and staff discuss CBP program with IAC staff | Feb./March  | Executive Director  
|      |                |                           | Consultant        |
| 6.   | Develop IAC Capacity Building application | Feb./March | Executive Director  
|      |                |                           | Board             |
| 7.   | Submit IAC Capacity Building application | **April 20, 2007** | Executive Director |
| 8.   | Hire consultant   | June                      | Executive Director  
|      |                |                           | Board             |
| 9.   | Grant period begins | **July 1, 2007** | Executive Director |
| 10.  | Appoint planning team | April/May | Board |
| 11.  | Orient planning team | June/July | Consultant  
|      |                |                           | Executive Director |
| 12.  | Submit first interim and assessment report to IAC | **Jan. 15, 2008** | Executive Director |
| 13.  | Finalize planning timetable, meetings, etc. | Month/Year | Planning team  
|      |                |                           | Consultant        |
| 14.  | Complete organizational assessment | Month/Year | Planning team  
|      |                |                           | Consultant        |
| 15.  | Present assessment findings to Board | Month/Year | Consultant  
|      |                |                           | Planning team     |
| 16.  | Discuss and prioritize issues, sequence order in which to address issues, suggest strategies | Month/Year | Board |
| 17.  | Develop plan format and draft capacity building plan | Month/Year | Planning team  
|      |                |                           | Consultant        |
| 18.  | Present draft plan to Board | Month/Year | Consultant  
|      |                |                           | Planning team     |
| 19.  | Review, revise, and adopt plan | Month/Year | Board |
| 20.  | Finalize plan based on Board input | Month/Year | Consultant  
|      |                |                           | Planning team     |
| 21.  | Submit year one report and capacity building plan | **July 1, 2008** | Executive Director  
|      |                |                           | Board             |
| 22.  | Submit third Interim Report to IAC | **Jan 15, 2009** | Executive Director |
| 23.  | Submit Final Grant Report to IAC | **May 31, 2009** | Executive Director |
| 24.  | Grant period ends | **June 30, 2009** | Executive Director |
| 25.  | Submit project changes (if different than final report) | **July 31, 2009** | Executive Director |
GUIDELINES FOR IN-KIND INCOME AND EXPENSES

Contact your accountant or the IAC with questions regarding budgeting in-kind expenses and income. Because not-for-profit organizations often receive donated materials and services (“in-kind” contributions), special accounting guidelines have been established to deal with these items. These guidelines should be followed when the applicant includes in-kind match in the proposed budget.

- Donated MATERIALS of significance should be reported at their fair market value if the recipient organization has an objective, measurable basis for assigning value. (Usually the value is assigned by the donor.)

- Donated SERVICES of significance should be reported if: 1) they are a normal part of a project and would be otherwise performed by paid personnel; 2) the organization exercises control over the duties of the donor; and 3) there is a measurable basis for assigning a value to the service being donated.

- The following CANNOT be claimed as in-kind services: 1) Services designed to be provided by volunteers; 2) Periodic volunteer services for fund raising; 3) Professional personnel engaged in research or training activities without pay or with a nominal allowance; and 4) The value of time donated by the organization's board of directors and board committee members in carrying out governance activities.

- In-kind donations of materials and services must be able to be audited with a written record of each contribution. The written record should include: organization name, donor name and signature, date, description of the donated item or service, the value of the donated item of service (as assigned by the donor) and the signature of the person receiving the donation on behalf of the organization. Grantees using in-kind as a portion of match will be required to submit documentation with their final grant reports.