

Financial Definitions GFO Guidelines

accommodations/interpreters: Services provided to persons with disabilities in order to improve accessibility of arts programming.

administrative personnel: Individuals employed or contracted by an organization to perform duties related primarily to the management of the organization.

administrative salaries and fees: Salaries, fees, and the cost of benefits paid to administrative personnel.

advertising sales: Income an organization derives from the sale of space in printed programs or other advertisements.

allocations to cash reserves: Funds an organization places in an income-bearing account for the purpose of building cash reserves.

allowable*/non-allowable(as income or expenses): income or expenses deemed by MSAC to be permissible in figuring total operating expenses and income to determine funding amounts. Examples of allowable* operating income and expenses include, ticket sales income, grants, contributions, specific salaries, artist fees, marketing expenses, equipment rental, program costs, supplies, etc. See non-allowable* also

Americans with Disabilities Act, 1990 (A.D.A.): A law that protects the rights of individuals with disabilities to receive the same accommodations and benefits as individuals without disabilities. *Design for Accessibility: A Cultural Administrator's Handbook* is a resource designed to help organizations comply with Section 504 and the Americans with Disabilities Act and is available for download at www.msac.org.

artistic personnel: Individuals or groups employed by an organization to create, curate, design, perform, or produce artistic work presented by the organization to general audiences.

artistic salaries and fees: Salaries, fees, and the cost of benefits paid to artistic personnel.

arts organization: MSAC defines an arts organization as an organization that exists to further the arts and whose purpose is producing or presenting the arts through public programs or services, as stated in their mission statement. For example, an orchestra's mission is produce and present orchestral concerts so it is an arts organization. Also see **non-arts organization**.

audit: See Independent external audit.

authorizing official: Individual legally empowered to submit this application.

(CY) calendar year: Budget year that runs from January 1 through December 31.

capital assets: Those assets of an organization, including buildings, equipment, and facilities that are intended for long-term ownership and use.

capital improvements: Improvements to capital assets that increase their value, or otherwise benefit the owner of the improved asset.

community: The individuals or groups identified by an organization as those for whom the organization's activities are intended.

contact person: Individual who is best able to provide information regarding application content and activities described in the grant application.

contracted services: Services rendered under contract to another party (agency, school, organization, company, or individual), and revenues derived from such services.

cost of goods purchased for sale: Money paid by an organization for artwork or other goods intended for subsequent sale, with proceeds benefiting the organization.

DUNS number: a unique 9-digit identification number assigned to businesses by Dun & Bradstreet. The federal government requires a DUNS number of all organizations receiving federal grant monies. MSAC receives a grant from the National Endowment for the Arts, a federal agency, and is therefore

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required to obtain a DUNS number from each of its grant applicants. To obtain a DUNS number, please visit <http://fedgov.dnb.com/webform>. There is no cost for the DUNS number.

depreciation: The systematic charging of the diminished value of fixed assets to annual expenditures.

direct costs: Those expenses directly billed to the applicant's arts program by invoice and/or transfer of funds and documented as a dollar amount on the arts program's financial statement*.

educational activities: Eligible educational activities include, but are not limited to, activities that have the primary purpose of instruction or training, including workshops, artist residencies, lessons, classes, or other educational outreach and learning activities open to the public.

Non-eligible educational activities include but are not limited to those intended for public, private and charter K-12 schools, and preschool classroom use; implementation of arts curriculum or curriculum development for schools; showcases of student school work; school fundraisers.

educational personnel: Individuals employed or contracted by an organization to perform duties related primarily to educational programming and/or teaching.

educational salaries and fees: Salaries, fees, and the cost of benefits paid to educational personnel.

endowment: Investment funds that remain in perpetuity, and generate interest income.

Federal Taxpayer Identification Number: A nine-digit account number identifying an employer for purposes of reporting wages and taxes to the Internal Revenue Service.

(FY) fiscal year: Budget year that runs on a 12-month period other than Jan. 1 through Dec. 31.

financial stability: The ability of an organization to generate the financial resources necessary to support current and planned activities, as measured by the

organization's prior record and the soundness of budgetary estimates and projections.

financial statement or audit*: A document required for all MSAC applications which provides information on the applicant organization's operating budget for the most recently completed fiscal year. The statement is not narrative but a list of actual revenues and expenses. The financial statement must be signed by the organization's accountant or chief financial officer.

grant agreement: A legally-binding contract between MSAC and a successful applicant setting forth the rights and duties of the parties, which must be executed before grant funds may be disbursed.

income from goods/services sold: The total amount paid by purchasers to an organization for artwork or other goods sold and/or for services provided by the organization.

independent external audit: An audit report certified by an independent CPA firm that must include an unqualified opinion on the financial statements* of an organization.

in-kind: Any contribution of service, equipment, supplies, printing, space, or other property made by an individual, organization, or business to an organization, as distinguished from a monetary donation. In-kind services may not be included in an applicant's cash budget or be used to match a MSAC grant, but may be described in the application as part of an organization's overall operations.

international activity: For the purpose of completing the "Information Exchange" form, applicants should indicate "yes" if the activities applied for conform to any of the following criteria: 1.enable applicant to visit other countries, or 2.enable applicant to facilitate visits by foreign artists to the United States, or 3.support applicant's participation in a cultural exchange program, or 4.support applicant's linkages with artists or institutions in other countries.

merit of arts services activities: Caliber of the arts services activities an organization provides.

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non-allowable* (as income or expenses): Not allowable* as operating expenses are re-granting*, acquisition of capital assets*, accessions, allocations to cash reserves*, capital improvements*, depreciation*, deficits, loan principal payments, contributions to endowments* or scholarships awarded by the applicant organization for its own activities. Not allowable* as operating income are loans, carryover, debt forgiveness, transfer of funds earned in prior years, revenue raised for capital or endowment funds or funds intended for the purpose of re-granting, unrealized gains/losses; prorated salaries, rent, or utilities; or other prorated expenses. Other items may be deemed non-allowable*. Grant funds may not be used to make contributions to any persons who hold, or are candidates for, elected office; to any political party, organization, or action committee; or in connection with any political campaign or referendum. Grant funds may not be used for any lobbying activities.

Non-arts organization: MSAC defines a non-arts organization as an organization whose primary purpose is other than producing or presenting the arts. Non-arts organizations eligible for the GFO program are ones that do have an ongoing arts program producing and presenting the arts to the public. For example, a church's mission is not to produce or present the arts, but it may present an ongoing series of orchestral concerts. The church is considered a non-arts organization, but is eligible to apply for support only for its ongoing arts program, the orchestral concert series. Also see [arts organization](#).

received/not received: The status of contributed support at the time a MSAC application is submitted. "Received" funds are those awarded or in-hand; "not received" includes funds applied for, pending, pledged, and/or yet to be raised.

special constituencies: Persons with disabilities and senior citizens.

technical personnel: Individuals employed or contracted by an organization for technical management and staff services (e.g., technical directors, stage managers, exhibit preparators,

installers, wardrobe, lighting, and sound crews, stagehands, video and film technicians).

technical salaries and fees: Salaries, fees, and the cost of benefits paid to technical personnel.

total cash income: For a completed fiscal year, the sum of all funds an organization received during the year through earnings and contributions; for the current fiscal year, the sum of all funds, received and/or not yet received. Organizations applying to MSAC for general operating support are required to present budgets for a planned year in which the year's total allowable* cash income and total allowable* cash expenses are equal.

Venue: Facility or location where arts activities take place.