

## Chapter AB 2

## ARTS CHALLENGE INITIATIVE GRANTS

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**AB 2.01 Purpose.** The purpose of the arts challenge initiative is to provide incentives to arts organizations for increasing or sustaining their private sector income.

**History:** Cr. Register, August, 1998, No. 512, eff. 9-1-98.

**AB 2.02 Categories of applicants.** Grants may be awarded in each of the following 3 categories:

- (1) The incentive program for arts organizations with total incomes of \$100,000 and over.
- (2) The sustaining program for arts organizations with total incomes under \$100,000.
- (3) The minority program for minority arts organizations.

**History:** Cr. Register, August, 1998, No. 512, eff. 9-1-98.

**AB 2.03 Eligibility requirements.** (1) Applicants shall:

- (a) Conform to all of the eligibility requirements set forth in AB 1.04 (1).
- (b) Be a Wisconsin arts organization providing programs and services that benefit Wisconsin's general public.
- (c) Be the most appropriate sponsor for the proposed activities.
- (d) Demonstrate that its programming serves the broader community of which it is part.
- (e) Be a distinct entity which administers its own operational budget.
- (f) Have 3 or more consecutive years of arts programming or service at the time of application.
- (g) Be professional arts organizations with paid administrative staff or equivalent volunteer administration.
- (h) For an application to the minority program evidence policy, management and artistic control by minority group members identified in s. 560.036 (1) (f), Stats.

(2) Individual artists, organizations that exist primarily for fund raising, and organizations that serve an exclusive membership not open to the general public shall be ineligible for the arts challenge initiative.

**History:** Cr. Register, August, 1998, No. 512, eff. 9-1-98.

**AB 2.04 Application.** (1) Organizations may participate in only one of the 3 categories listed in s. AB 2.02.

(2) Continuing applicants remain eligible to participate by submitting the final report required under s. AB 2.13 which serves as an application for the following year.

**History:** Cr. Register, August, 1998, No. 512, eff. 9-1-98.

**AB 2.05 Review of new applicants.** (1) A committee selected by the board shall review new applications and advise the board regarding each new applicant's eligibility for the program.

(2) The board shall notify each new applicant of its acceptance or rejection within 30 calendar days of the board determination related to the application.

(3) A new applicant shall not be eligible for an award until it has been admitted into the program and has filed a continuing application to establish a current year.

**History:** Cr. Register, August, 1998, No. 512, eff. 9-1-98.

**AB 2.06 Review of continuing applicants.** (1) The staff shall review continuing applications to determine the applicant's eligibility for an award.

(2) Continuing applicants shall be notified of their eligibility for an award within 45 calendar days of the application deadline based on materials submitted.

(3) The board shall make all final decisions regarding the approval or rejection of each grant application.

**History:** Cr. Register, August, 1998, No. 512, eff. 9-1-98.

**AB 2.07 Eligible and ineligible income.** (1) Income eligible for match includes income contributed by individuals, corporations, foundations, or other private agencies and income earned from the sale of tickets, subscriptions, memberships, contracted services, merchandise, advertising, concessions, parking, or rent.

(2) Income that is not eligible for match includes income derived from interest on investments or endowment funds; city, regional, state, or federal grants or contracts; and income specifically designated for endowments or capital funds.

**History:** Cr. Register, August, 1998, No. 512, eff. 9-1-98.

**AB 2.08 Allocation of funds.** (1) The board shall encourage arts organizations and local arts agencies to sustain or increase their income from private sources by annually allocating funds to match contributions and earned income as specified in s. 44.565 (2), Stats.

(2) The board shall allocate at least 10% of arts challenge initiative funds for distribution under the minority program as specified in s. 44.565 (2) (c), Stats.

(3) The board shall allocate at least 20% of arts challenge initiative funds for distribution under the sustaining program as specified in s. 44.565 (2) (d), Stats.

**History:** Cr. Register, August, 1998, No. 512, eff. 9-1-98.

**AB 2.09 Calculation of awards.** (1) Applicants who have been admitted to the arts challenge initiative program shall be eligible for granting funds whenever they demonstrate an increase in their eligible income between the base and the current years.

(2) In the incentive program, raw awards shall be based on a formula of one dollar to match every 4 dollars of growth in the applicant's eligible income during the previous fiscal year.

(3) In the sustaining program, raw awards shall be based on a formula of one dollar to match every dollar of growth in the applicant's eligible income during the previous fiscal year. However, raw awards in the sustaining program shall be at least \$3,000 and not more than \$10,000.

(4) In the minority program, raw awards shall be based on one dollar to match every dollar of growth in the applicant's eligible income during the previous fiscal year.

(5) When the total amount of raw awards exceeds the total amount of available board funds, final awards shall be determined by proration as specified in s. 44.565 (3), Stats. When proration is required under this subsection, the maximum award shall not exceed 12% of available board funds, and the minimum award shall not be less than the greater of \$1,000 or .1743% of available board funds.

(6) As specified in s. 44.565 (2) (e), Stats., grants awarded under the sustaining and minority programs shall not exceed 100% of the grantee's base year eligible income, except that raw awards for sustaining program applicants shall be not less than \$3,000.

History: Cr. Register, August, 1998, No. 512, eff. 9-1-98; am. (5), Register, August, 2000, No. 536, eff. 9-1-00.

**AB 2.10 Disbursement of awards.** Awards shall not be disbursed until all the relevant requirements for the award have been fulfilled by the applicant. In the incentive program, distribution of grant awards shall also be contingent upon the board's

receipt of a certified financial or equivalent audit of both the base and current years.

History: Cr. Register, August, 1998, No. 512, eff. 9-1-98.

**AB 2.11 Allowable use of grant funds.** Awards shall be used for costs necessary to maintain and support the artistic program activities that are regularly operated by the applicant, and overall administration of the applicant organization.

History: Cr. Register, August, 1998, No. 512, eff. 9-1-98.

**AB 2.12 Items not fundable.** Grants may not be awarded to:

(1) Fund endowments.

(2) Fund capital expenditures in an amount exceeding 6% of the organization's operating budget or \$10,000, whichever is the lesser amount.

History: Cr. Register, August, 1998, No. 512, eff. 9-1-98.

**AB 2.13 Final reports.** All challenge initiative grant recipients shall file a final report with the board. The final report shall also function as a continuing application for participants in the program. The final report shall explain how granting funds were used.

History: Cr. Register, August, 1998, No. 512, eff. 9-1-98.