

OHIO ARTS COUNCIL (ART)
RISK MANAGEMENT PROGRAM FOR *AMERICAN RECOVERY AND REINVESTMENT ACT*
(ARRA) FUNDS
MAY 1, 2009

In compliance with the OBM Guidance on Risk Management and Accountability, Memo #5 dated March 27, 2009, the Ohio Arts Council (ART) offers the following information for review. ART risk officer will be Mary Campbell-Zopf, deputy director, who has a 20-year tenure with the agency. She will work in close cooperation with ART Executive Director Julie Henahan, to oversee all aspects of planning and implementation, including risk mitigation strategies, associated with the *American Recovery and Reinvestment Act* (ARRA) funding that ART received from the National Endowment for the Arts (NEA).

Since 1965, ART has managed federal funds awarded through the NEA and other agencies along with its state funding. The agency's primary function is to support and develop Ohio's arts and cultural sector through grant programs, services and resources. ART oversees 14 grant programs and processes approximately 1,370 grants annually. ART will leverage its time-tested grant-making processes and long-tenured staff to carefully manage potential risk associated with the awarding of ARRA funds. Additionally ART will immediately implement the more specific federal risk management and accountability guidance and fuller range of reporting requirements once these are communicated to us by the NEA and OBM.

The adoption of risk mitigation strategies will assure that the following accountability objectives of the law are met:

- Management controls are operating to minimize waste, fraud and abuse;
- Qualified personnel are overseeing program activities supported with ARRA funds;
- Funds are awarded and distributed in a prompt, fair and reasonable manner;
- Competitive ARRA awards are maximized for Ohio;
- Recognition of award dollars and grant sub-recipients is timely, accurate and appropriately accounted for;
- Expenditures of funds are appropriately recognized, accounted for and reported.

ART has developed end-to-end risk mitigation strategies including:

- *Ohio Arts Jobs Preservation Grants (Arts Jobs)* grant program is carefully aligned with the NEA's *American Recovery and Reinvestment Act (ARRA)* grant program for state arts agencies.
- *Arts Jobs* applicant pool has been adjudicated many times through objective peer reviews in open public session. This pool of grantees has repeatedly shown it uses public funds responsively and resourcefully and has high potential for successfully

addressing stated program outcomes, preserving and sustaining arts jobs in all areas of the state, and achieving public benefits including serving underserved and disadvantaged populations.

- Broad promotion of ARRA funding by ART and its sub-recipients.
- Open panel review of *Arts Jobs* grant proposals and support materials by trained objective panelists.
- Strong ongoing oversight of the year-long process by ART Board, Executive Committee, senior management and program directors.
- Strict adherence to all federal and state risk management and accountability guidance and reporting requirements.

Program Alignment with NEA

The ART sub-granting program, *Ohio Arts Jobs Preservation Grants (Arts Jobs)* is aligned with the NEA *American Recovery and Reinvestment Act (ARRA)* program, which focuses solely on the preservation of arts jobs.

ART has two outcomes: In partnership with the NEA and Arts Midwest, a regional arts organization for Ohio, 1) make the arts and arts education widely available, and 2) organizations enhance the ability to realize their artistic and public service goals.

Projects are limited to:

- Salary support, full or partial, for one or more positions that are critical to an organization's artistic and education mission and that are in jeopardy or have been eliminated as a result of the current economic climate, *and/or*
- Fees for previously engaged artists and/or contractual personnel to maintain or expand a period during which such persons would be engaged.

All grants are non-matching, and grant recipients will be awarded the amount requested: \$25,000, \$15,000 or \$10,000. *Arts Jobs* grant guidelines emphasize the importance of reaching a broad constituency from all areas of the state – cities, towns and rural areas. ART will strive to reach organizations that serve underserved populations such as those whose opportunities to experience the arts are limited by geography, ethnicity, economics or disability. Priority status will also be given to cost-effective projects that maximize the amount of funds awarded for immediate impact and longer-term security. In keeping with the ART Cultural Participation Policy, we expect to see multiple perspectives and diverse cultures reflected in the governing, program planning, and participation efforts of organizations that apply for funding, receive grants, or take part in any programs supported by the agency. Specific populations targeted by the OAC include Black/African-Americans, Appalachians, Asians, Latinos and Hispanics, Native American Indians, people with disabilities, and seniors age 62 and older, as well as potential arts participants who are not currently being served

such as members of ethnic and immigrant groups, rural residents, rural and inner-city youth, and the unemployed. Arts Midwest also plans to make at least two to three direct grant awards to Ohio arts organizations.

ART will develop its *Arts Jobs* grant final reporting process within the context of our stated outcomes and the NEA *Recovery Act* reporting requirements (yet to be promulgated by the NEA). Grant applicants will identify what they want to achieve, how they will assess the degree to which it is achieved and, upon completion of the project, what they have learned from that process, including successes and failures.

Adjudicated Applicant Pool

Ohio is home to a wide range of nonprofit organizations that provide public programs in the arts and culture. These organizations connect Ohio citizens of all ages, abilities and backgrounds with experiences in everything from theatre to dance, media to music, visual art to literature and all forms of folk and traditional art.

ART has identified a subset of grantees from our grant program, *Sustainability*, which provides general operating support to arts and cultural organizations. This subset is comprised of only arts organizations (nearly 300) with operating budgets ranging from \$40 million to \$30,000. For example, at the high end are organizations such as the Cleveland Musical Arts Association (\$40,875,000); Cincinnati Symphony Orchestra (\$36,235,578); and Cleveland Museum of Art (\$40,053,265). In the mid-range, we have Ballet Metropolitan (\$4,601,535); Great Lakes Theatre Company (\$3,021,074); Toledo Museum of Art (\$16,039,105); Youngstown Symphony Society (\$2,337,104); and Butler Museum of American Art (\$3,591,715). At the lower end, we have the Springfield Arts Council (\$1,410,205); Toledo Opera Association (\$1,169,640); Roots of American Music (\$286,600); Southern Ohio Museum (\$398,928); Stuarts Opera House (\$334,455); Thurber House (\$571,227); Urban Appalachian Council (\$155,323); and small grassroots organizations including: Standing Rock Cultural Arts (\$32,784); Cleveland TOPS Swingband Foundation (\$48,159); and International Washboard Festival (\$34,935).

Most organizations in the *Sustainability* category have had a long association with ART. Their operating support grants have been rigorously adjudicated many times through open grant review panels and these grantees have consistently demonstrated that they use public funds resourcefully and responsibly. These organizations are asked to demonstrate excellent artistic, educational and cultural value; responsiveness to their community; credible planning and evaluation strategies; and a high level of financial and managerial accountability. As a group they represent the artistic core of Ohio's arts and cultural infrastructure and are appropriate candidates for NEA *Recovery Act* funding. No applicant in this pool has received funding if their aggregate score was below 70, out of a 100-point scale. They also represent all arts disciplines and fields, organizational sizes, and geographic areas. Additionally, because of their experience levels, the applicants in

this pool are well-prepared to meet the demands of the OAC reporting requirements, which will mirror the federal and state standards and expectations.

Broad promotion of ARRA funding by ART and its sub-recipients

ART builds public awareness of the benefits of the arts and arts education through its Public Information Office (PIO). ART will use a wide range of strategies to promote the *Arts Jobs* grant application process and resulting funded projects over the next year so that Ohio's legislators, citizens and our constituents are well-informed about how ARRA funds are being used, resulting projects and the local economic impact. Strategies include:

1) Web site and electronic communications: The ART Web site, www.oac.state.oh.us, is designed and marketed to be a comprehensive communications resource for the general public and arts providers. The site receives more than one million unique visits per year. Regular e-newsletters are sent to cultural organizations, artists, schools and educators. These newsletters reach nearly 6,000 subscribers annually. ArtsinOhio.com, Ohio's online statewide cultural calendar of events, is a partnership with the Cleveland, Columbus and Cincinnati Convention and Visitors Bureaus, and the Ohio Division of Travel and Tourism. ArtsinOhio.com receives more than 650,000 visitors per year with an additional 4,000 citizens reached through a monthly e-newsletter highlighting cultural events around the state. An annual ArtsinOhio.com supplement is also published in partnership with *Ohio Magazine* and reaches more than 100,000 magazine subscribers and members of the public each year. Results of the *Recovery Act* funding will be highlighted in these communication resources.

ART has established several dedicated ARRA/*Arts Jobs* pages on its Web site, which have multiple entry pathways and are promoted on our Web site's home page. These pages will provide a centralized area for all related stimulus funding information. There will also be links to ARRA information on the NEA Web site and the state of Ohio *Recovery Act* pages.

2) Media: PIO issues 35-40 press releases annually to 234 daily and weekly newspapers with a combined circulation of nearly six million. ART will issue periodic press releases on ARRA/*Arts Jobs* funding, projects and reporting results.

3) ART will issue regular constituent e-mail blasts about the *Recovery Act* federal effort; *Arts Jobs* grant application process and materials, deadline and panel meeting; and locally funded activities and results.

4) ART will keep its federal and state legislators informed about the *Recovery Act* funding and the importance of the arts as part of the federal policy solution for our country's economic recovery. ART publishes a quarterly newsletter, *ArtsPerspective* for

the legislature and issues in the coming year will focus on ARRA funding and its preservation of jobs across the state.

5) In addition to the credit and publicity requirements already in place for their Sustainability program grants, Arts Jobs grantees will be provided with specific requirements for acknowledgment of this initiative from the NEA and ART. In addition, because of ART Credit and Publicity Policies, grantees understand the importance of helping Ohio citizens see how their tax dollars support the arts as well as the resulting civic benefits.

Open panel review of Arts Jobs grant proposals

ART will convene the Board’s seven-member Executive Committee along with several representatives from the regional arts organizations to review all grant applications in an open public session. To ensure that all grant panel members are fully prepared for the grant review panel meeting, ART will send an orientation binder with scoring instructions, grant applications and support materials to panelists at least one month before the panel meeting date. ART will also conduct a training session with the grant reviewers to ensure their full understanding of the *Arts Jobs* program guidelines, review criteria, scoring process and panel protocols. Grant review team assignments will be carefully made to ensure against any conflicts of interest.

A competitive application will need to meet the criteria described below:

Artistic/Educational/Cultural Value

The highest score for this category is 25 points.

Criteria	Evidence Found In
<ul style="list-style-type: none"> • Artistic/Educational/Cultural Value of Organization 	Grant narrative; Sustainability (over and under \$1.5 million) program files; and other support materials (including job descriptions and resumes)
<ul style="list-style-type: none"> • Stability of Organization 	Applicant Information – Budget Overview; Sustainability (over and under \$1.5 million) program files; and other support materials

Proposed Project’s Overall Merit

The highest score for this category is 40 points.

Criteria	Evidence Found In
<ul style="list-style-type: none"> Potential to have a significant and immediate impact on the arts work force. 	Grant narrative and budget pages (total cost of the investment including federal and local funding for the position)
<ul style="list-style-type: none"> Quality of plan to sustain the full and/or part-time position(s). 	Grant narrative, budget pages and other support materials
<ul style="list-style-type: none"> Likelihood that the project will achieve the identified outcomes. 	Grant narrative, budget pages and other support materials
<ul style="list-style-type: none"> Feasibility of the proposed performance targets. 	Grant narrative and budget pages
<ul style="list-style-type: none"> Ability to carry out the project including appropriateness of the budget, clarity of goals and design, the resources involved, and qualifications of the project’s personnel. 	Grant narrative, budget pages, support materials including biographical information on personnel including job descriptions and resumes

Community Participation and Accessibility

The highest score for this category is 35 points.

Criteria	Evidence Found In
<ul style="list-style-type: none"> Potential to reach a broad geographic range of constituents. 	Applicant Information – Organizational History, Participation Chart and grant narrative
<ul style="list-style-type: none"> Potential to reach underserved populations such as those whose opportunities to experience the arts are limited by geography, ethnicity, economics or disability. 	Applicant Information – Organizational History, Participation Chart and grant narrative

Strong oversight throughout the year-long process by ART Board, Executive Committee, senior management and program directors

As indicated on the ART Process Flow Chart (two formats: 1) a Word document, which follows this overview document, and 2) a flow chart style, which is a separate PDF) our

Board, Executive Committee, senior management, three program directors and a grant associate have a high level of ongoing involvement in the planning and implementation of the *Arts Jobs* grant program that is funded through ARRA funds awarded to us through the NEA. This is an extremely important funding opportunity for the arts and cultural sector across the United States. ART is diligently working to ensure that its funding program is well-understood, transparent and of the highest quality. The ART Board is key to informed oversight and delivering the results needed and required by ARRA; therefore, Board members will be involved at regular intervals throughout the year-long process.

Strict adherence to all risk management and accountability guidance and reporting requirements

Because ART's *Arts Jobs* grant program is aligned with the NEA *American Recovery and Reinvestment Act (ARRA)* program and because it received a superlative federal-level panel review, ART is confident that all federal priorities and expectations are being met. However we do expect further guidance from the NEA within the next month. At that time we will address the fuller guidance provisions on accountability and reporting requirements, and immediately issue a related directive to our eligible arts organizations as they fine-tune their grant proposals and support materials for the grant application submission deadline of Monday, June 15, 2009.

The [ART Process Flow Chart](#) documents our ongoing plan for monitoring and reassessing risk throughout ARRA funding period that runs through September 30, 2010.

ART has put into place:

- Internal controls sufficient to mitigate the risk of waste, fraud, and abuse adequately;
- Eligibility requirements that address performance issues with (potential) funding recipients;
- Highly qualified staff to oversee ARRA funding;
- Broad promotion strategies for ARRA funding, grant opportunities and funded projects;
- Transparent grant adjudication process with trained objective reviewers;
- Reporting mechanisms to meet AEEA data requirements.
- Processes for the Board and program staff to monitor ongoing program performance frequently.

Process flow documentation is an effective method to provide reviewers and stakeholders with a high level overview of how current processes work and how ARRA funds are appropriated within those processes. The ART Process Flow Chart includes agency plans to capture pre-award, performance period, and post-performance phases

related to financial and statistical data associated with accountability objectives. This documentation is important for accounting and transactional purposes as well as providing support to stakeholders and external reviewers.

ART has reviewed historic corrective action policies and procedures for prior grantee audits, investigations or other reviews that identified weaknesses or deficiencies that could potentially affect ARRA program areas. ART is confident that the risk of administering the ARRA funds to grantees is not increased by any past corrective measures.








**OHIO ARTS COUNCIL
PROCESS FLOW CHART
May 1, 2009**

Process Name: *Ohio Arts Jobs Preservation Grants (Arts Jobs) program*












Five Divisions:

- 1) Develop proposal for the National Endowment for the Arts (NEA);**
- 2) Develop *Ohio Arts Jobs Preservation Grant (Arts Jobs) program grant guidelines and processes;***
- 3) Adjudicate *Arts Jobs* proposals and seek ART Board approval;**
- 4) Submit final report to ART for approval;**
- 5) Submit all required reports to the NEA and report progress to ART Board on a regular basis.**



1) Develop proposal for National Endowment for the Arts (NEA)

- ART identifies applicant pool -- arts organizations in the Sustainability (budget over and under \$1.5 million) program for its federal stimulus funding. These organizations have a high potential for success with proven track records of using public funds resourcefully and responsibly, and the capacity to achieve the level of reporting required by the NEA and the *American Recovery and Reinvestment Act (Recovery Act)*. February 2009 
- ART's NEA application, which includes a risk management statement, is peer reviewed and receives a stellar review by all NEA grant review panelists. March 2009 
- Professional audits and 990s are available for organizations in the applicant pool. 
- ART senior management staff (deputy director, fiscal office director, public information office director) and grant office associate form the fast-response working group to oversee design and implementation of the *Arts Jobs* program. 
- Team will meet weekly (*March to September 2009*) and thereafter bi-monthly. 
- *Arts Jobs* program guidelines are aligned with the stated NEA outcomes and the *Recovery Act* priorities. March 2009 
- ART senior staff members serve as primary contacts for *Arts Jobs* grant applicants to ensure a high level of guidance in preparing their grant proposals. April to June 2009 









2) Develop *Arts Jobs* program grant guidelines and processes

- *Arts Jobs* program grant guidelines are aligned with the stated NEA outcomes and the *Recovery Act* priorities. *April 2009*   
- *Arts Jobs* Frequently Asked Questions (FAQ) are drafted for internal review. *April 2009*   
- *Arts Jobs* FAQ is published and promoted to more than 600 organizations and individuals that have received funding through ART so that program parameters are clear and understood by constituents. *April 2009*   
- *Arts Jobs* program guidelines and revised FAQ are posted on the ART Web site. They are promoted to nearly 300 eligible arts organizations through the agency's OnLine Grant Application (OLGA) system. *April 2009* 
- Internal grant-processing (based on agency standards of operation) task timeline is put into place. *April 2009* 

3) Adjudicate of *Arts Jobs* grant proposals and seek ART Board approval

- Applications are:
 - Reviewed by trained objective panelists.  
 - Scored based on criteria that emphasize artistic/educational/cultural value; stability of organization; overall merit of proposal including potential to impact the arts workforce, sustain jobs, and secure qualified personnel; and community reach to underserved populations and broad geographic areas. *July/August 2009*
- Panel makes funding recommendations based on scores, which are ranked from highest (100) to lowest. Applications that are scored below 70 will not be funded. However, given the limited federal funds, ART will probably not fund any applications that are scored below 90 or 85 thus further ensuring a high potential for success. *July/August 2009*

4) Submit final report to ART for approval

- ART Board reviews and approves funding recommendations. *September 2009*  
- ART issues Grant Agreement with clear parameters. Agreements must be signed by executive director and board president of the applicant's organization. *September 2009*  
- Applicants must acknowledge NEA and ART *Recovery Act* funding in their programs, including publications and Web sites, using crediting language provided by the NEA and ART. *September 2009 to June 2010*
- Partial payment is available with:
 - Submission of a valid signed Grant Agreement from the applicant.  
 - Required financial paper work.  

- ART staff member approves submitted paper work. **R** **C**
- Final authorizing signature of the ART executive director. *September 2009* **R** **C**
- Final payment will be initiated with the receipt of a final report, which has been reviewed by an ART staff member for completeness and quality. *Fall 2009 to June 2010* **R** **C**
- Mini-Audits will be conducted for a sampling of funded sites by the ART fiscal office director. *Fall 2009 to June 2010* **R** **C**

5) Submit all required reports to the NEA and report progress to ART Board on a regular basis

- Update ART Board on ARRA activities. *February 2009* **R** **C** **A**
- Update ART Board on ARRA activities. *June 2009* **R** **C**
- Submit ART quarterly reports to NEA. (*summer and fall 2009; winter and spring 2010*) **R** **C**
- Update ART Board on ARRA activities. *September 2009* **R** **C**
- Submit interim report to NEA. *December 2009* **R** **C**
- Update ART Board on ARRA activities. *February 2010* **R** **C**
- Update ART Board on ARRA activities. *June 2010* **R** **C**
- Submit ART final report to NEA. *September 30, 2010* **R** **C**

