



Salt Lake County

Zoo, Arts & Parks

FOR A BETTER COMMUNITY

TIER I & ZOOLOGICAL 2009 & 2010 APPLICATION and 2008 EVALUATION GUIDE

Version
February 24, 2009

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OVERVIEW

The Zoo, Arts and Parks (ZAP) program is pleased to present this application guide. This guide is intended to clarify the process. Please take the time to read these instructions before completing your application - especially the financial sections.

The Zoo, Arts and Parks Program is committed to fair and equitable access to Zoo, Arts and Parks funding and educational resources. The Zoo, Arts and Parks program exists to enhance financial support of Salt Lake County's zoological, cultural and botanical organizations through the imposition, collection, and distribution of a 1/10th of 1% county sales and use tax.

All Tier I and Zoological organizations must be private non-profit organizations with active 501(c)(3) status. As indicated in Utah State Statute, only 23 organizations may receive Zoo, Arts and Parks Tier I funding. More organizations may qualify, but the Tier I Advisory Board must recommend only 23. If necessary, in the Tier I Advisory Board recommendation, the board will rank the organizations, in order to give the Salt Lake County Council additional information.

Organizations applying for Zoological funding must be or have been accredited by the Association of Zoos and Aquariums (AZA) within the last five years.

Organizations may apply once per year. Organizations that apply and qualify as a Tier I organization are not guaranteed funding. 48.875% of Zoo, Arts and Parks revenues will be distributed to no more than twenty-three (23) qualified Tier I organizations. Applications not recommended as one of the twenty-three (23) organizations will be submitted for Tier II funding.

2009/2010 HIGHLIGHTS

- This application combines the 2009 and 2010 application periods as well as the 2008 evaluation.
- A template for salary cap, rent cap, and other additional information requested has been included as sheets in the excel spreadsheet.
- Do not extend your narrative beyond the number of pages indicated. Anything over the limit will not be given to the board.
- The Tier I three-year average qualifying expenditures amount must be \$319,900 or higher
- The application has been grouped by types of questions and whether the information requested is forward looking or past.



- There is now a specific section on Governance and Operations. The Salt Lake County Council passed a resolution in 2009 encouraging board diversity in the Tier I and Zoological programs. (Visit ZAP website or call for the full resolution).
- All qualifying expenditures must be cash based. No depreciation will be allowed as a qualifying expenditure.

APPLICATION CHANGES

This application has been reworked into six sections:

- General Information (page 1)
- Narrative Overview (page 2)
- Actual Use - 2008 Evaluation (page 3)
- Governance & Operations (page 4)
- Community Impact, Outreach and Participation (page 5 & 6)
- Fiscal Eligibility (page 6 and Excel spreadsheet)

EXCEL TEMPLATE CHANGES

Note: There are eight (8) sheets in the excel template

1. 2006 spreadsheet
2. 2007 spreadsheet
3. 2008 spreadsheet
4. Summary Page (revenue and 3-yr average)
5. Cap Calculations Worksheet
6. Reconciliation Worksheet
7. Explanations
8. Actual Use (for 2008 evaluation)

Worksheets 5, 6, and 7 may be modified to best suit your organization.

POTENTIAL POLICY UPDATES:

The following policy updates have been discussed by the Salt Lake County Council Community Services Committee. They will be forwarded to the full Council next week.

Section 2.13.7 of the Policy has been revised to read:

- All non-cash expenditures including in-kind services and products; all trades and other similar non-cash consideration.



Section 5.6.6 & 7.3.3 of the Policy has been revised to read:

- ...organizations must abide by accepted nonprofit ethical and professional standards. This includes adopting and implementing the Utah Nonprofits Association or similar ethical standards.

TIER I AND ZOOLOGICAL CRITERIA

- Organizations must pass the Zoo, Arts, and Parks Program's minimum financial health test on a regular basis. Weak or negligent financial management could be grounds for exclusion.
- Stability of the organizations is an important factor in funding.
- The 23 Tier I organizations funded must have a preponderance of activities that are within their eligible disciplines and not just have some element of cultural or botanical activities.
- An organization will not qualify to receive Zoo, Arts and Parks Tier I or Zoological funds unless it has its headquarters, a significant presence and manages/presents in Salt Lake County.
- Organizations must abide by accepted nonprofit ethical and professional standards. This includes adopting and implementing the Utah Nonprofits Association or similar ethical standards.
- Priority: When all else is equivalent, priority for Tier I and Zoological funding will be considered...
 - for those organizations that provide geographic, ethnic and other diversity on their governing and advisory boards and to; and
 - organizations that provide exemplary community services through outreach and free or highly discounted programming.

FINANCIAL ACCOUNTABILITY

Consistent accounting and reporting is critical for the Zoo, Arts and Parks Program. The ZAP Tax statute distributes revenues to qualifying Tier I organizations based on their proportionate average annual operating expenses. To the extent each Tier I organization adheres to the same rules in reporting operating expenses, all organizations are then treated similarly and the playing field is level. For Zoological organizations, the formula is based on set percentages as indicated in state statute.



Audited Financial Statements: Tier I and Zoological Organizations must provide three years of Audited Financial Statements. The audit must be performed by a CPA or CPA Firm with a current Utah License and with a current Peer Review. It is expected that the audit will provide the necessary financial information and will follow standard formats accepted by the profession. The audit must be conducted in accordance with auditing standards generally accepted in the United States.

Adequate Expenditure Detail/Reconciliation Schedule: If the ZAP eligible program(s)/activity is part of a larger organization's financial statements, and eligible expenditures can not be determined from the face of the applicant's statement of activities, then a supporting schedule is required. This schedule can be operating expenditures from the General Ledger for the ZAP eligible activities or a schedule presenting a reconciliation of total operating expenditures from the financial statements to program specific expenditures presented on the qualifying expenditures worksheets.

APPLICANTS MUST EXPLAIN THEIR METHODOLOGY AND ANY MISCELLANEOUS EXPENDITURES.

Applications that do not include this detail listing of expenditures (unless adequately presented in the financial statements) **will not be considered complete, and incomplete applications will not be accepted. Only two copies of the expenditure detail are required.**

REMINDERS

- Disclosures are required of the methodology used to calculate non-eligible activity expenditures
- Disclosures are required of the methodology used to determine and calculate expenditures outside of Salt Lake County
- A CAP of 6% of total 2008 eligible Salt Lake County operating expenditures has been set for rental expenditures of facilities necessary to achieve the organizations primary purpose (rent on buildings, storage lockers, practice facilities, etc.).
- A CAP of \$95,000 per individual for salary expenditures.
- A CAP of 10% of total eligible Salt Lake County operating expenditures has been set for concession stand expenditures.
- Organizations are required to complete the financial worksheets on an excel template.
- Copies of the audit are fine, we do not need the originals
- Don't forget to put your organization name on all the template sheets. If you put your organization name on the 2008 worksheet – it will automatically put it on the Summary Page.
- **Rename the excel template so that your organization name or initials are in the new file name**



- There has been some confusion over what you must submit for the application. What must you submit.....
 1. Application/Evaluation Narrative Completed in Full (*original plus 8 copies [9 total]*)
 2. Excel Financial Worksheets (*original plus 8 copies [9 total]*)
 3. Digital version of the Excel Financial Worksheets (*under a new file name!*)
 - *Do not staple*
 - *Do not submit binders*
 - *Please 3 hole punch the application and financial templates*

Tentative 2009 Timeline		Tentative 2010 Timeline	
Application Due	March 31, 2009	Application Due	March 31, 2009
Board Review	May 13, 2009	Board Review	
Optional Board Meeting	May 27, 2009	Optional Board Meeting	May 27, 2009
Notify Applicants	June 10, 2009	Notify Applicants	June 10, 2009
Council Approves	June 2009	Council Approves	June 2009
Notary Event	July 2009	Notary Event	July 2009
Finalize Contracts	August 2009	Finalize Contracts	August 2009
First Payment	September 2009	First Payment	April 2010

CONTACT INFORMATION

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LATE APPLICATIONS WILL NOT BE ACCEPTED
Applications may be postmarked on March 31 or submitted by 5:00 p.m. in the ZAP office.



INSTRUCTIONS FOR COMPLETING THE APPLICATION

The ZAP program encourages you to utilize the Word document in completing this portion of the application. If you do not have Word, please use a format that is similar. Do not extend your narrative beyond the pages indicated. Any amount over the indicated pages will not be distributed to the Tier I Advisory Board.

If there is no explanation, it is assumed the question is self-explanatory.

BACKGROUND INFORMATION

Name of Organization - Please state the name of your organization and if you are doing business as another name, please indicate the DBA as well. If the name on your application does not match your IRS 501(c)(3) letter, please explain. If you have changed your name, you must complete a Substitute I-9 form for the County. Contact the program manager for a copy of this form.

Organization Address, City, State, Zip - This is the location of where your organization's main activities take place.

Mailing Address, City, State, Zip - This is the address of where all mailed materials will be sent.

Submitted by (Name/Title/Phone/Email) - Please indicate the person who completed this application and the initial contact in case of questions. Email is the primary way the Zoo, Arts and Parks Program communicates with its applicants.

Alternate Contact Person (Name/Title/Phone/Email) - Please indicate an alternate person that can be contacted regarding this application.

Website - please indicate your organization's website if available. If funded, your website will be linked from the Zoo, Arts and Parks website and should include a link to NowPlayingUtah.com.

Dun and Bradstreet Number

The Zoo, Arts and Parks Program requires all *Tier I and Zoological* organizations to utilize their free Dun & Bradstreet (D&B) number. This number is helpful in measuring economic impact within a region and advancing the creative and cultural community. Contact D&B to register or, update your business profile. It's free for non-profit organizations and easy. <http://eupdate.dnb.com/>

Salt Lake County Council District#: If you are uncertain, please visit the County Clerk's website at <http://www.clerk.slco.org/>



In the upper right of the Clerk's Home Page find - **Voter Info Search**, click on "Find elected officials", then click on "Search by Full Address" (to the right), fill out the address form to find the district, scroll down to almost the end – the Council District is after County Mayor and before the at-large council members.

2009 Time Frame/ 2010 Time Frame: The 2009 application may cover any twelve-month period between January 1, 2008 – December 31, 2009. The 2010 application period may cover any twelve month period between January 1, 2009 and December 31, 2010.

GENERAL ELIGIBILITY

A. Is your organization headquartered in Salt Lake County? - In order to qualify for Zoo, Arts and Parks Program funding, a Tier I and Zoological organization must have its headquarters within Salt Lake County. Headquarters are defined as your organization's primary place of business where the majority of your staff are located and function.

B. Does your organization maintain nonprofit status? Certification by the Internal Revenue Service as an organization qualifying under § 501(c)(3) of the Internal Revenue Code is required for any nonprofit organization to qualify for ZAP funds.

C. Are you a member of the Utah Nonprofits Association (UNA)? – The ZAP program coordinates with UNA on their current member status.

If you are not a member of UNA, does your organization abide by any nonprofit ethics and professional standards? - The Zoo, Arts and Parks Program requires all Tier I and Zoological organizations abide by accepted nonprofit ethical and professional standards. This includes adopting the Utah Nonprofits Association or other similar ethical standards. Go to www.utahnnonprofits.org to find out more. Include a copy of your professional and ethical statements if not a UNA member.

F. Date of Incorporation - This should be the date on your articles of incorporation.

G. What are your ZAP Qualifying Expenditures? - This number will be derived from the "Three-year Average" Line 61 of the summary worksheet on the Excel financial spreadsheet. **Organizations often mistakenly put their 2008 qualifying amount in this line – please double check that you are listing the 3-year average.**

H. What is your organization's eligible discipline? In order to qualify for Zoo, Arts, and Parks funding, your organization's primary discipline must be listed in Section 3.12 on page 5 and 6 in the County-wide policies number 1031. The discipline you list must match what you indicated on Page 1 of the application. The Policies and Procedures can



be found on the ZAP website: www.slcozap.org

I. If Zoological, list the date when your organization received accreditation from the Association of Zoos and Aquariums (AZA)

If any zoological facility or organization that has been accredited by the Association of Zoos and Aquariums, loses the accreditation, said facility or organization will provide, with its application, an explanation for the loss of accreditation and written identification of curative measures taken by the facility or organization to address the reasons for the loss of accreditation.

J. Utah Code Ann. §59-12-701, et. seq. for County option funding for botanical, cultural, recreational, and zoological organizations or facilities states that a “cultural organization” does not include any educational institution whose annual revenues are directly derived more than 50% from state funds. If you are a University, College, or Educational Affiliate and **receive more than 50% of your funding from state funds you are ineligible for ZAP funding. Thus if you answer yes – please do not apply for ZAP Tier I or Zoological funding.**

K. List any non-eligible ZAP and non-core activities. Examples include:

- Universities and colleges programs primarily for the student body populations;
- Activities not available to the general public;
- Expenses not related to zoological, cultural or botanical activities; including, but not limited to parades, pageants, fireworks, rodeo, sister-city programs, and non-cultural celebratory activities.
- Any activity for which your organization pays unrelated business income taxes.

NARRATIVE (page 2 of the application)

This section is designed to give staff and advisory boards more detailed information about your organization, community outreach, and how ZAP funds will be used. **Clarity and brevity in answers are encouraged.**

A1. Mission Statement (as Approved by Board of Directors) - This defines the core purpose of the organization as indicated by your discipline.

A2. Please provide a summary overview of your organization, including major program areas, with a brief history. How is your organization funded? If you charge admission, please describe. This could include how your organization fulfills its mission, what programs your organization conducts, and the various ways you are funded.

A3. What are your short-term and long-term cultural and operational goals and



objectives? What are your plans for achieving them? - Examples could include strengthening opportunities for artists, providing more community outreach in schools, etc.

A4. Describe how Zoo, Arts, & Parks funds will be used. What do you plan to do? When? Where? Please be specific. This should include indicate how you plan to spend the funds you are applying for in this application for both 2009 and 2010. Please discuss the programs and services that qualify for ZAP support.

ACTUAL USE – 2008 EVALUATION QUESTIONS (page 3 of the application)

Be sure to indicate the time frame for the evaluation. The questions on page 3 should be self explanatory.

GOVERNANCE AND OPERATIONS (page 4 of the application)

B1. What steps are you taking toward increasing the diversity of, and broadening the citizen component on your Board of Directors/Trustees? Please be specific. By diversity we mean all forms of diversity, including ethnic, county-wide geographic and demographic diversity. Please describe your efforts and the **results** of those efforts to enhance board diversity in detail on the application.

Suggestions/clarifications to improve board diversity:

- Salt Lake County Council wants to see progress and good faith efforts.
- Salt Lake County Council passed a resolution not an ordinance. It is strongly encouraged, not mandated. If the organization shows due diligence and is making progress, it will remain a resolution. If it is perceived that the organizations are not making progress or are not really serious about improving board diversity, there may be efforts to make the resolution mandatory.
- Look to elected city councils and mayors for suggestions for board members. They have connections that may be useful.
- A concern has been expressed that very few west-siders are on ZAP Tier I and Zoological boards.

Governance and Operations Table

- Please use the board members residence when determining Salt Lake County Council District
- An example of Full time equivalent (FTE) is.... 8 full time staff, 4 half time staff (2), 3 ¾ time staff (2.25) = 12.25 FTE



COMMUNITY IMPACT, OUTREACH AND PARTICIPATION (page 5 of the application)

Questions C1 through C4 should be self explanatory.

Community Participation and Governance Table –

New: Please use attendance data from your most recently completed fiscal year.

Community Participation and Governance Table		
C.e.	# Artists, Scholars, Botanists, Zoologist Involved	Actual number of individuals (not FTE)
C.f.	# Educational Programs (Overall types of programs)	*See below
C.g.	# Educational Events (number of times you do the above programs)	
C.h.	# Educational Attendance	
C.j.	# Volunteers	Actual number of individuals (not FTE)

***Educational Programs:** If you do a lecture demonstration in the schools, and host teacher workshops and provide free tickets to students, that would be 3 separate programs. We are not asking how many of each program you do, just the different types of programs.

Community Outreach Table-

The purpose of this list is to provide information on the scope and type of activities your organization does in Salt Lake County, and the audience or constituency served. Please summarize, where appropriate; you do not need to list every individual event. For example, you may group program activity into types, such as regular season, main stage, outreach, touring, special exhibitions, educational, residencies, trainings, etc. Include only events and activities held in Salt Lake County. Do not include radio or television audiences in these charts. If you wish to indicate radio or television audiences, add a statement to the bottom of the page.

Since many Tier I organizations have their home facility in Salt Lake City, it is helpful to know of the outreach events that take place in other areas of Salt Lake County.

Attachments Checklist -

Use the checklist in the application to ensure that your submission is complete.

Signature - Please remember to sign the application and date it.



QUALIFYING EXPENSES EXCEL WORKSHEET INSTRUCTIONS

All Tier I and Zoological organizations will be required to use the excel spreadsheet template as they complete the financial worksheets. This template file must be saved as another name.

Please save the file with your organization name on it, example: 2009ABCCompany.xls.

This template also has all the columns and formulas protected so that the user can not change them. The formulas should help facilitate this process. If you note any errors with the template please notify the ZAP program office immediately. The template includes 8 worksheets:

- 1) 2006 Expenditures Worksheet (*Fiscal Year 2006 - organization's accounting year ending sometime in 2006*)
- 2) 2007 Expenditures Worksheet (*Fiscal Year 2007 - organization's accounting year ending sometime in 2007*)
- 3) 2008 Expenditures Worksheet (*Fiscal Year 2008 - organization's accounting year ending sometime in 2008*)
- 4) Revenue and Summary Worksheet
- 5) Cap Calculations Worksheet
- 6) Reconciliation Worksheet
- 7) Explanations
- 8) Actual Use (for 2008 evaluation)

Previous applicants to the Tier I and Zoological application cycle have had their financial information reviewed by an outside C.P.A. and/or the Fiscal Manager for Community Services. Based on your audited information and any additional materials requested, either reviewer may have made alterations to your Fiscal 2006 and 2007 worksheets. You are strongly encouraged to use the data revised by the CPA or Fiscal Manager for this 2009/2010 Application. This means the Fiscal information for this year's 2006 and 2007 worksheets. The expectation is that we will use the numbers from the last two previous years (with modifications from the Community Services Fiscal Analyst or outside CPA - if necessary). The Fiscal 2008 worksheet should follow the guidelines outlined in this guide. Contact the program manager if you have questions about changes to your previous worksheets.

ALL OPERATING EXPENSES

1. COLUMN A- Total Operating Expenses

This column should reflect the organization's total operating expenses for the fiscal year.

Line 21 "Total operating expenses" should agree to total expenditures on the statement of activities in the applicant's audited financial statements.

2. COLUMN B: Operating Expenses for Non-Eligible Activity

In this column please calculate the amount of expenses related to non-eligible activity for each budget category. Non-eligible activity is defined as activity which is part of the



organization's function and mission, but which falls outside the stated “eligible disciplines” funded by ZAP. This includes, but is not limited to parades, pageants, fireworks, rodeo, sister city programs, non-cultural celebratory activities and individual board member expenditures over \$5,000. For each amount in this column provide a brief narrative of the methodology used to derive these non-eligible expenditures. See **Appendix B** for examples.

3. COLUMN C: % Operating Expenses for Non-Eligible Activity

This is a formula that will calculate the percentage of non-eligible expenses to total expenses by dividing (Column B) by (Column A.).

4. COLUMN D: Operating Expenses For Activity Outside Salt Lake County

Please calculate the amount of expenses related to out-of-county activity. Out-of-county activity is defined as activity which occurs in a location or venue outside of Salt Lake County. Examples of out-of-county activity include out-of-county performances by the Symphony-Opera, dance companies, the touring museum exhibits, or fieldwork conducted by the UMNH or UMFA. For each amount in this column provide a brief narrative of the methodology used to derive these out of county expenditures. See **Appendix B** for examples.

5. COLUMN E: % Operating Expenses For Activity Outside Salt Lake County

This is a formula that will calculate the percentage of out-of-county activity to total expenses by dividing (Column D) by Total (Column A).

6. COLUMN F: Total Expenses For Eligible Activity Within Salt Lake County

This is a formula that will derive the total expenses for eligible activity within SL County by subtracting the figures in COLUMN D and COLUMN B from COLUMN A.

CHECK YOURSELF: The sum of COLUMNS B, D, and F must equal COLUMN A.

DEFINITIONS AND INSTRUCTIONS FOR OPERATING EXPENSES

Line 1. Administrative Salaries and Benefits:

Include all salaries and benefits for all individuals in administrative, executive, or managerial capacities as well as all accounts payable and receivable staff; all ticket office staff; all house, company management, janitorial, concessions/gift shop and usher staff.

NOTE: Salaries for employees that split their time between multiple functions can be allocated, please disclose the allocation methodology.

Line 2. Program Salaries and Benefits: Include all salaries and benefits for the following personnel: chief program officer, all program staff and artists employed by salary, including directors, designers, and curators; education staff; programmers, developers of cultural programming, all staff involved in the construction, maintenance,



operation and dismantling of the physical components of a production, exhibition, festival, arboretum or other cultural activity.

NOTE: Fees paid to independent contractors related to program activity should appear in Program Independent Contractor Fees. If the organization pays FICA for an individual, that individual should appear in Salaries. If the organization does not pay FICA to an individual, the amount should appear in Contractor Fees.

Line 3. Program Independent Contractor Fees: Include all fees paid to outside (i.e. non-salaried) personnel related to the organization's programming activity.

Line 4. Exhibition operating expenses: Include all expenses related to exhibitions mounted by the organization and their operations.

Line 5. Materials: Include all materials costs related to the creation of performances, exhibitions, festivals, or other artistic/cultural activity, costumes, and raw materials. Do not include expenditures for resale items; this should be included under "Concessions/Gift Shop".

Line 6. Royalties/Licensing Fees: Include all fees paid for the contract rights to present copyrighted artistic/cultural programming or exhibits etc. **NOTE:** This is not the same as payments made to program independent contractors, which should appear in Program Independent Contractor Fees.

Line 7. Travel & Housing (including per diem): Include all travel costs, vehicle and mileage costs, including per diems, for both staff and guest artists. Include all housing costs for staff and artists.

Line 8. Marketing: Include all marketing and public relations costs, non-personnel operating expenses, as well as fees paid to marketing/pr consultants.

Line 9. Development: Include all fundraising and public advocacy costs, non-personnel operating expenses, as well as fees paid to development and fundraising consultants.

Line 10. Office Expenses (including Ticket Office and Front of House): Include all non-personnel administrative and ticket office supply and materials costs, including ticket and office supplies, postage, workspace computers, copiers, fax machines and other office equipment, telephone, professional development and membership dues; and publications.

Line 11. Facility Rent: Include the rental operating expenses of all venues used by the organization for the development and presentation of performances, exhibitions, and festivals, including storage, production, performance and administrative space.

Line 12. Operations & Maintenance: Include all utilities (if not already included in rental agreement costs), including, heat, electricity, insurance, and grounds/facility



maintenance operating expenses.

Line 13. Miscellaneous Program: Any miscellaneous costs related to advancement of eligible activities/programs such as, event security, port-a-potty rental, fencing etc. Provide brief description of expense type. **If you use this line, please include an explanation of these miscellaneous expenses.**

Line 14. Miscellaneous Administrative: Include all expenses, which cannot be included in any of the above categories. **If you use this line, please provide a description of these items.**

Line 15. Cost of Goods Sold (Concession/Gift Shop): Include all non-personnel expenses related to the operation of concessions and gift shops.

Line 16. Accounting & Legal: Include all fees paid to external accountants and include all fees paid for legal services.

Line 17. Bad Debt Expense: Expenditures recognized for business' receivables that are deemed uncollectible by the organization.

Line 18. Interest Expense: Include all interest payments and finance charges on loans, which are paid by the organization.

Line 19. Depreciation & Amortization (not for real property): Include all depreciation & amortization on non-real property assets.

Line 20. Depreciation on Real Property: Include all depreciation on real property assets owned by the organization. This includes buildings and improvements, their structural components, and any permanent fixtures thereon.

Line 21. Related Party Expenditures: Include any sale, lease or other transaction with a board member or affiliate, or staff member or affiliate, and shall be fully disclosed (in narrative question 7. b.) If a board member holds a staff position in the organization, the salary of that staff position is a qualifying expenditure. Moreover, if there are related party transactions, the organization should include a copy of its conflicts of interest policies.

Line 22. Column A. Total All Operating Expenses: This line should agree to total expenses in the audited statement of activities. If the expenditures in Column A do not agree with the financial statements, a schedule is required to reconcile total expenditures per the financial statements to the expenditures presented on the qualifying expenditures worksheet.

This is a formula. This number will be placed in the Summary Worksheet.



Line 22. Column B. Total Operating Expenses for Non-Eligible Activity

This is a formula. This number will be placed in the Summary Worksheet.

Line 22. Column D. Total Operating Expenses for Activity Outside SL County

This is a formula. This number will be placed in the Summary Worksheet.

ADDITIONAL NON-QUALIFYING OPERATING EXPENSES

The County has deemed certain expenses as “non-qualifying” for purposes of determining budget size and ZAP funds allocation. *It is not the intent that amounts for Non-Qualifying Operating Expenses will zero out your Total Operating Expense on Line 21. If you have already eliminated some of your non-qualifying operating expenses through the process of listing them in Columns B (Non-eligible Activity) or Column D (Activity Outside of SL County), you do not need to include them in this section as well.*

Line 23. Capital construction expenses/real property

Expenditures related to the acquisition, construction, or renovation of real property. This category also includes leasehold improvements. These cash outlays will not be listed as expenditures on the Statement of Activities in the audited Financial Statements; rather they will be listed as additions to capital assets. None of the expense in line 21 should include capital expenditures, if there are capital expenditures included in line 21, please enter the amount in Line 22.

Line 24. ALL Depreciation

Please include all depreciation expenditures.

Line 25. Repairs and Maintenance to Real Property

Expenditures for repairs and maintenance on real property should be listed here. If these expenditures were capitalized (added to the value of the asset) nothing needs to be included on this line.

Line 26. Payments into an Endowment Corpus

Funds included as expenditures in the Financial Statements and placed into an organization’s endowment during the applicable fiscal year. This does not include donations made by third parties and deposited into the endowment fund.

Line 27. Fundraising expenses related to capital or endowment campaign

Salaries (or portions thereof), printing, postage, meals, supplies, travel, and materials related to fund-raising for an organization’s endowment or capital campaign. A capital campaign is a systematic course of fund-raising activities to acquire funds for one-time expenditures on real property within an organization. An endowment campaign is a systematic course of fund-raising activities to establish a permanent fund or source of income for an organization.



Line 28. Grants

The distribution of funds to outside groups, institutions, organizations or other units regardless of whether amounts are to be repaid.

Line 29. Repayments of loans and/or interest thereon

Loans and interest payments made by the organization during the applicable fiscal year. Loan payments should not be expenses in a financial statement, payments reduce liabilities, however, if payments on loans show in your expense lines include payments here.

Line 30. All non-cash expenses including in-kind, exchange transactions, trade of facilities, services and materials and other non-cash transactions.

In-kind includes services and an unconditional transfer of non-cash in a voluntary nonreciprocal (nothing received in return) transfer by one entity to another. These expenditures should be disclosed in the financial statement audit and have been included in the Statement of Activities as a revenue and expense.

Line 31. Expenditures for political lobbying

- Direct political lobbying means seeking to influence specific legislation
- Grassroots lobbying means any attempt to influence any legislation through an effort to affect the opinions of the general public or any segment thereof on specific legislative matters. This is also considered indirect influence.
- Public education means non-partisan education, analysis, study or research of an issue that is made available to the public, governmental bodies, officials, and employees; and does not attempt to influence legislation or advocate the adoption or rejection of legislation.

For purposes of ZAP non-qualifying expenditures direct political lobbying includes personnel time, money and other resources spent on influencing specific legislation and an allocation of overhead based on the lobbying activity.

If you list an amount on Line 31, submit an explanation of your organizations direct political lobbying expenditures. Also articulate the specific legislation in which your organization has been involved.

Line 32. Salary cap

Salary expenditures, for the purpose of qualified expenses, are capped at \$95,000 per individual for all functions, including bonuses, deferred compensation and any other compensation for services rendered. This amount does not include retirement, health, social security or Medicare benefits.



Applicants should begin with total salaries reported in Column F on the qualifying expenditure spreadsheet for the applicable fiscal year. If your organization has individual salaries that exceed \$95,000 the cap applies to you, regardless of whether some of the salary is allocated to non-eligible activity (Column B) or outside Salt Lake County (Column D), however you can take credit for the amounts already excluded. If your organization has salaries that exceed \$95,000 please provide a schedule of these salaries, preferably by position title. See the example below.

If you place an amount on Line 31, you must include a worksheet (like the example below) that clearly indicates how you arrived at this number. The example below clearly indicates how and why \$7,750 will be listed on Line 31 on the qualifying expenditures spreadsheet. Use a template similar to the example below (provided as a sheet in the template) or create your own.

Salary (Excluding Benefits)	Total Salaries	Total individuals > \$95,000	
Administrative Salaries	\$ 150,000	\$ 97,750	
Program Salaries	580,000	300,000	
Total	730,000	397,750	
Position Title	Salary	\$ excluded in Column B or D	CAP calculation Total Salaries over \$95,000
CFO salary	\$ 97,750	-	\$ 2,750
Artistic Coordinator	200,000	100,000	\$ 5,000
Dance Instructor	100,000	15,000	\$ -
	397,750	115,000	7,750

Line 33. Bad Dept Expense

Expenditures recognized for business' receivables that are deemed uncollectible by the organization. This line should agree to line 17, Column F.

Line 34. Non deductible tax penalties/Unrelated Business Income Tax

Nonprofit organizations may be granted tax-exempt status under the Internal Revenue Code, however, they may still be subject to taxation on unrelated income business taxable income (UBIT) provisions of the Code. The test under the Internal Revenue Code is whether the activity generating the income is "substantially related" to the organization's exempt purpose. If the activity is not so related, the organization must pay income tax on the income generated by such activity. If your organization must file a UBIT return operating expenses that are taken into account in calculating the unrelated



business income as well as any penalties you paid, should be excluded here, if not already excluded in Column B & Column D.

Line 35. Rent CAP

Rent payments in excess of 6% of the organization’s total eligible Salt Lake County qualifying expenditures for Fiscal 2008 (Column F). Rent payments in excess of 7% of the organization’s total eligible Salt Lake County qualifying expenditures for Fiscal 2007 (Column F). Rent payments in excess of 8% of the organization’s total eligible Salt Lake County qualifying expenditures for Fiscal 2006 (Column F).

Rent expenditures for facilities necessary to achieve the primary purpose of the organization should be included, such as buildings, offices, storage lockers, practice facilities, etc.

If you place an amount on Line 35, you must include a worksheet (like the example below) that clearly indicates how you arrived at this number. The example below clearly indicates how and why \$30,000 will be listed on Line 35 on the qualifying expenditures spreadsheet. Use the template provided or create your own.

Fiscal 2008 Example:

Total facility rent operating expense (line 12, Column F)	\$	230,000	
Total eligible, SL County expenses (line 21, Column F)		2,500,000	
CAP Calculation 7% X \$2,500,000 =	\$	175,000	
CAP rent expense \$230,000 minus CAP of \$175,000	\$	55,000	Amount to enter on line 35

Line 36. Gift shop and concession expenses

Many organizations operate a gift shop or sell concessions. Under Generally Accepted Accounting Principles (GAAP) inventory is not treated as an expense when the inventory is acquired, but as part of “cost of goods sold” when sold. Until sold, inventory is actually an asset and is not an expense. Inventory and other related expenses incurred on resale items is considered an eligible ZAP expenditure, but only to the extent that the expense is recognized in the Financial Statements in the current fiscal year as “cost of goods sold” and is capped at 10% of total eligible Salt Lake County qualifying expenditures (Column F) See example below.

Gift Shop and Concession Cap Worksheet Example:



Total "cost of good sold" (line 15 Column F)	\$ 400,000	
Total operating expenses (line 21, Column F)	3,900,000	
CAP Calculation 10% X \$3,900,000 =	\$ 390,000	
CAP COGS \$400,000 - CAP of \$390,000	\$ 10,000	Amount to enter on line 36

Line 37. Related party expenditures

Related party transactions are disallowed unless the organization certifies that it has adopted the Utah Nonprofit Association Standard of Ethics and satisfies Part III (B) of the Standards. If the organization has adopted the standards then it must monitor related party transactions and reject ones that are not fair to the organization. In the event of any sale, lease or other transaction with a board member, staff or affiliate, the costs and expenses incurred by the board member, staff or affiliate shall be fully disclosed. If a board member holds a staff position in the organization, the salary of that staff position is a qualifying expenditure. Moreover, if there are related party transactions, the organization should include a copy of its conflicts of interest policies.

Line 38. Additional Non-Qualifying Operating Expenses

This is a formula. This number will be placed in the Summary Worksheet.

Line 39. Prior year ZAP award

Although not an expenditure, ZAP funding allocated in previous years will also be deducted to determine the Total Qualifying Operating Expenditures. This should be the amount awarded to you, no matter when it was received. For Fiscal Worksheet 2008, it is the amount listed in the reconciliation letter sent in March 2009.

Line 40: TOTAL QUALIFYING OPERATING EXPENSES

This is a formula. This number will be placed in the Summary Worksheet.

Administrative and Other Salary detail -

Please complete the salary detail charts as indicated



SUMMARY PAGE

Revenue Summary

The ZAP Program seeks to gain a better understanding of your organization through a review of your revenue. Please follow the definitions below. Total revenue on line 53 should agree to total revenue on the statement of activities in the applicant's audited financial statements. If it does not then a reconciling schedule should be presented.

Line 41. Admissions/Earned Income:

Revenue from the sale of tickets for specific events and/or admission to the organizations facility.

Line 42. Other Event Income:

Revenue, other than the sale of tickets or admissions that is generated by an event or general program (i.e. gift shop/concessions revenue).

Line 43. Contributions (Corporate):

Funds donated to the organization from or on behalf of a business or corporation.

Line 44. Contribution (Individual):

Funds donated to the organization from individuals (Include membership and subscription revenue).

Line 45. Utah State Agency Grants

Grants from the Utah Arts Council, Office or Museum Services, Utah Travel Council or other agency. If an amount is listed here please describe by noting the agency and if more than one, the amounts for each.

Line 46. Education Funding: POPS, iSEE, or USOE RFP funding

Grants from the Utah Office of Education's fine arts or science grant and RFP programs. If an amount is listed here please describe by noting the agency, the services you provide and if more than one, the amounts for each.

Line 47. Other Legislative Appropriations:

Do not include amounts already listed in Line 45 or Line 46. Please describe.

Line 48. Other Government Grants or Funding:

This might include one-time Capital project funding from the State Legislature or Federal Government. It would also include any other county or municipal funding. If an amount is listed here, please describe this amount.



Line 49. ZAP grant

Amount awarded by the Zoo, Arts and Parks Program during your fiscal year. This number may not agree with the amount listed on Line 37 of the Fiscal Year Worksheets. This number should agree with your audited financial statements.

Line 50. Foundation Grants:

Grants from foundations, or other public or non-profit entities, not government.

Line 51. Investment Income:

Revenue or dividends earned from savings, investments/and/or endowment funds.

Line 52. Rental Revenue:

Revenue generated by the rental of property, equipment, or other items.

Line 53. Other Revenue:

All other miscellaneous revenue (please provide a brief description of each).

Line 54. Total Revenue:

This amount should match total revenue in your audited financial statements. If not present a reconciling schedule.

Summary Of Qualifying Expenditures

Please note that items 55 through 61 on the summary page will be automatically placed in on this page, calculating your average qualifying expenditures for the three years. This formula is protected and you will not need to change it.

Please include an explanation if your expenditures or revenues have increased or decreased by 25% from the last year. Use the additional explanation sheet in the excel template if your explanation will not fit in the space provided.

2008 ACTUAL USE SPREADSHEET

Please do not forget to supply information that indicates how your organization utilized your ZAP 2008 funding.



Appendix A

Reconciling Schedule between Audited Financial Statements and ZAP qualifying expenditures

THE MUSEUM OF PLEASANTVILLE CITY Reconciliation of Statement of Activities to ZAP Expenditures For the year ended December 31, 2005

	Total Expenses	Museum exp not related to ZAP activities *	ZAP Expenses **
Advertising	225,438	15,438	210,000
Bank Charges	2,120	2,120	
Bad Debt	2,250	250	2,000
Building Improvements	350,000	350,000	
Cost of Goods Sold	32,000	7,000	25,000
Contract Labor	6,000	6,000	
Depreciation	43,095	15,595	27,500
Exhibits	150,000	-	150,000
Insurance	2,300	2,300	-
Interest	4,989	3,489	1,500
Loss on Disposal of Asset	3,000	3,000	
Miscellaneous	39,800	9,800	30,000
Office Expense	85,000	20,000	65,000
Other Program Expenses	320,000	200,000	120,000
Postage	200	200	-
Professional Services	7,000	2,000	5,000
Rent	20,000	5,000	15,000
Repairs, maintenance, and utilities	195,000	150,000	45,000
Salaries	11,700,000	10,500,000	1,200,000
Security	2,000	2,000	-
Supplies	151,780	1,780	150,000
Telephone	1,761	1,761	-
Travel	50,500	500	50,000
TOTAL	\$ 13,394,233.00	\$ 11,298,233.00	\$ 2,096,000.00

* **Museum Expenses not related to ZAP:** All expenditure accounts noted above for Fund 250 (City funds not related to Museum)

** **Total ZAP Expenses:** All expenditure accounts noted above for Funds 100-200