



Salt Lake County
Zoo, Arts & Parks

FOR A BETTER COMMUNITY

2009

TIER II

APPLICATION GUIDE

March 11, 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 application process.

The Zoo, Arts and Parks Program is committed to fair and equitable access to 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.

Please take the time to read these instructions before completing your application - especially the financial sections.

In order to qualify for Tier II ZAP funding an organization must have a cultural or botanical purpose as indicated in Salt Lake County Ordinance 1031 (revised April 2009). This document can be found on the ZAP website. Schools, school districts or any radio or television broadcasting network or station, cable communications system, newspaper, or magazine ARE NOT ELIGIBLE for ZAP funding.

An organization will not qualify to receive Zoo, Arts and Parks Tier II funds from Salt Lake County unless it has a **significant arts, botanical or cultural presence and manages and presents in Salt Lake County**.

Applicants must be a private non-profit with an active 501(c)(3) status at the time of application or they must be a municipal or county cultural council. A municipal or county cultural council is a cultural agency of a county, municipality, township or county community council. Only one application per agency, private non-profit or cultural council.

Tier II funds should not be the sole or major source of funding received by applicant organizations. Priority consideration will be given to organizations that can solicit and receive matching funds (cash or in-kind). Priority consideration will also be given to organizations that can demonstrate a strong connection to the community, have a substantial track record and show a stable history.

As indicated in State Statute, only 23 organizations may receive Zoo, Arts and Parks Tier I funding. Organizations that qualify but are not funded through Tier I will have their application submitted to the Tier II process.

Financial Requirements

The Tier II process has been designed to be more flexible and accessible to both volunteer and professionally managed non-profit organizations and municipal cultural councils.

If your organization is requesting funds totaling \$15,000 or less – you only need to complete the Application (pages 1 – 7).



Additional Requirements....

Requesting \$15,000 or more: Tier II organizations desiring to receive more than \$15,000 must provide a “Review” of Financial Statements for their most recently completed fiscal year (ending in 2008). The review must be performed by a CPA or CPA Firm with a current Utah License. The application must also complete the 2008 and Summary worksheets of the excel template.

Requesting \$30,000 or more: Tier II organizations desiring to receive more than \$30,000 must provide an Audited Financial Statement of their most recently completed fiscal year (ending in 2008). The audit must be performed by a CPA or CPA Firm with a current Utah License. The application must also complete the 2008 and Summary worksheets of the excel template.

Requesting \$60,000 or more: Tier II organizations applying for \$60,000 or more must submit three-years of Audited Financial Statements. Organizations must also complete the entire 4 worksheets of the excel template.

It is expected that the review or audit will provide the necessary financial information and will follow standard formats accepted by the profession. The review or audit must be conducted in accordance with auditing standards generally accepted in the United States.

Adequate Expenditure Detail: If the ZAP eligible program(s)/activity is/are 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. Applications that do not include this detail listing of expenditures (unless adequately presented in the financial statements) will not be considered complete, and late applications will not be accepted. See **Appendix A** for an example.

By submitting all of the additional financial requirements, applicants may be qualified for funding over \$15,000 (with a review or audit/s of financial statements).

However, this is not a guarantee the applicant will be awarded these amounts.



GENERAL INFORMATION

- Review the website. The ZAP website has been revised to help the general public and ZAP recipients and applicants more quickly and easily access information. If staff is not available, try the website to get your information.
- Applications, the Guide and the Excel Templates are on the website.
- Copies of the audit are fine, we do not need the originals
- **Do not submit binders**
- **Please 3 hole punched the application and financial templates**
- Applicants have two choices for meeting the application deadline
 - **Hand-deliver** the complete application to the ZAP Program office by 5:00 p.m. on the deadline or
 - Have the completed application postmarked on the day of the deadline
- ZAP contracts require all recipients to use the free events calendar at NowPlayingUtah.com.
- Please invite the ZAP Tier II Advisory Board to your events – their addresses are on the website. If you have designated an evening or production during which you want highlight ZAP or list ZAP as a sponsor – that is appreciated. Staff can forward email invitations for you, but you should send them to us as soon as possible (6 weeks is best).
- If your organization is funded, it is expected that you will utilize the funding in the manner you indicated in your application. It is also expected that you will use the ZAP funds in a timely manner. ZAP funding can not be used in increase your cash reserves.

How much should be requested?

Guidelines to requesting Tier II funding...

- No one Tier II organization may receive more than 7% of the total Tier II Revenues. This year (2009), this cap is estimated to be approximately \$100,000.
- The ZAP program expects each organization to have other sources of income. The ZAP program does not want to be the sole funder of an organization or program. If you do not have a review or audit - **do not ask for more than 50% of your annual operating budget**. Example – your annual operating budget is \$20,000 – you may not request more than \$10,000. With limited funding it is unlikely the ZAP program will be able to



fund even 50%

- If you are submitting 3 years of audited financial statements – **do not ask for more than 35% of your qualifying expenditures or more than \$100,000.**
- It is expected organizations will seek funding from other agencies (such as the Utah Arts Council, Office of Museum Services, foundations, corporation, businesses, individuals, etc.).
- Ask for what you really need
- If you have a question call

2009 ZAP Tier II Timeline

- Application Deadline **Friday, May 1st by 5:00 p.m.**
- Advisory Board meets 6-8 times **June, July and August, 2008**
- Recommendation to Council **Sometime in September**
- Council finalizes funding **Within a month of receiving the advisory board's recommendation**
- Notary Events **September or October**
- First Payment released **8 weeks after receiving notarized contracts**
 - **Around December 2009**
- Second Payment released **April 2010**



INSTRUCTIONS FOR COMPLETING THE APPLICATION NARRATIVE SECTION

The ZAP program encourages you to utilize the “Word” (.doc) document in completing this portion of the application. If you do not have Word, please use the PDF version.

General 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 somewhere in the application.

Organization Address, City, State, Zip - This is the location of where your organization’s main activities take place or where your office is located. If you don’t have either, leave blank.

Mailing Address, City, State, Zip - This is the address of where all mailed materials will be sent, including checks if you are funded.

Submitted by (Name/Title/Phone/Email) - Please indicate the person who completed this application and the initial contact in case of questions. Include name, title, phone number and email address. 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. Include name, title, phone number and email address.

Fax - Please indicate the fax number for your organization if available.

Website - please indicate your organization’s website if available. If funded, your website will be linked from the Zoo, Arts and Parks website.

Optional: Dun and Bradstreet Number - please indicate your organization’s D&B number. If you do not already have one go to <http://www.dnb.com/us/>

This number is not required for Tier II applicants. However, the Zoo, Arts and Parks Program strongly encourages all organizations applying to get their free and easy Dun and Bradstreet 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 and easy. To view complete instructions on contacting D&B visit: <http://www.AmericansforTheArts.org/sc/SignUpandBeCounted> (the url is case-sensitive).

Salt Lake County Council District: Use the location of your events or the location of your office. This information may be obtained through the Salt Lake County Clerk’s office or website.



Summary Information:

- A. Does your organization have a significant presence and manages/presents in Salt Lake County?** - In order to qualify for Zoo, Arts and Parks Program funding, a Tier II organization must have a significant arts, botanical or cultural presence and manages/presents in Salt Lake County. Your narrative essays should indicate this presence and how you manage and present in Salt Lake County.
- B. Check one:**
Whether your organization is a nonprofit - This status must be held at the time of the application.
Whether your organization is a municipal or county cultural council. Include a letter from your municipality, township, county community council indicating this status.
- C. Federal Tax ID Number (Required)** - Also called an Employer Identification Number, or EIN.
Date of 501(c)(3) status: - the date your organization received tax exempt status from the Internal Revenue Service.
- D. Date Organization was founded:** - When your organization first provided services, programs, etc. regardless of tax-exempt or organizational status.
Age of Organization: 2008 minus the date your organization was founded.
- E. Tier II Organizations are expected to maintain professional and ethical standards.** Joining the Utah Nonprofits Association provides resources to assist nonprofits in this effort. More and more nonprofit organizations must be accountable. Go to www.utahnprofits.org to find out more.
- F. How much ZAP Funding are you requesting?**
- Use the number that equals the total in your “Proposed Use of Requested ZAP Funds” Worksheet Page 5 of the application
 - The ZAP Program looks for matching funds. For Tier II it can be donated cash or in-kind.
- G. If you are requesting over \$60,000, what is your three-year average of qualifying expenditures?** If you are asking for \$60,000 or above you must complete the 09QEWorksheet.xls (all 4 spreadsheets) in order to determine your qualifying expenditures. This is the number on Line 47 from the summary page of the excel financial worksheet.
- H. For what time period are you asking for funds?** - *Due to the funding not being available until the end of 2009, it is recommended you utilize the funding in 2010.* This application covers the period from January 1, 2009 through December 31, 2010. The project or operations you are requesting ZAP funding for needs to take place during a 12-



month period within this time frame. List the beginning and ending month and year.

- I. 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 3.11 on page 6 and 7 in the County-wide policy number 1031. This list is now on the ZAP website under “Applications” and titled “Disciplines”.
- J. Are you a first time applicant?** – Please answer yes or no. If yes you are encouraged to submit up to three (3) letters of recommendation from different sources.

Narrative:

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. Tell us what you think is most important for us to know.

1. Mission Statement (as Approved by Board of Directors) - This defines the core purpose of the organization as indicated by your discipline. The first sentence would be “The mission of the (organization) is to (descriptive verb etc...)”

2. Please provide a summary overview of your organization, including major program areas, brief history, and major accomplishments - This could include how your organization fulfills its mission, what programs your organization conducts, and what achievements your organization has experienced.

3. What are your short-term and long-term 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.

4. How is your organization funded? What sources of funding has your organization secured in the past 12 months? - What private and public support are your revenue sources from? Include in-kind services or items. This is an opportunity to detail your revenue sources listed in the financial section of your application.

5. Describe how Zoo, Arts & Parks funds will be used. What do you plan to do? When? Where? Please be specific. - Please discuss the programs and services that qualify for ZAP support. *This should indicate how you plan to spend the funds you are applying for in this application.* Indicate who, what, when and where!

6. Community Service:

- a. What are your goals for serving the communities in Salt Lake County? How would you describe your primary and/or target audience? Explain how your organization intends to maintain and or grow its audience over the next year.



- b. Please identify and explain how your organization partners with other organizations and service providers located within Salt Lake County.

University, College, or Educational Affiliate - If you are a University, College, or Educational Affiliate, you must answer this question.

Community Participation and Governance Chart –

Please use your most recently completed fiscal year or calendar year (2008) for the attendance data. Use only 12 months of data. Use the most recent information (April 2009) to answer the board, staff, donor and intern questions.

# Paid Attendance (number of people that paid to attend)	
# Other (non-paid) Attendance (all those receiving free admission)	
# Artists, Scholars, Botanists, Historians, Curators (etc) Involved in your programs	
# Educational Programs provided (briefly describe) 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.	
# Educational Attendance (not included in the paid or other category above)	
# Board Members (Directors or Trustees) having their primary residence If you don't know which Council District they are in - go to the Salt Lake County Clerk's website @ https://secure.slco.org/clerk/elections/index.cfm Click on "search by full address", fill in the information and click on "My Elected officials". The council district is near the end of the listing.	In County District #1
	In County District #2
	In County District #3
	In County District #4
	In County District #5
	In County District #6
	In Utah (outside of Salt Lake County)
	Outside of Utah
*# Advisory Board Members currently serving (
Frequency of Board Meetings (how many times per year do they meet)	
# Full Time Equivalent Staff FTE = Example 8 full time staff, 4 half time staff (2), 3 ¾ time staff (2.25) = 12.25 FTE	
# Volunteers (during a year)	
# Individual Donors (for your fiscal year or 12-month period)	
# Interns	

***Note:** your board members are different from an advisory board. If you do not have an advisory board – simple write N/A.

In-Kind Contributions

Be sure to include rate information showing how you calculated dollar value for in-kind contributions. For example: if you show a dollar value of \$1,000 for volunteer services, how many volunteers are anticipated for how many hours and at what rate per hour? Volunteer time



is calculated at minimum wage (**\$6.55 per hour at this writing**) unless the volunteer is donating services which he/she provides as part of his/her profession in which case time it is calculated at that person's professional rate. Donated materials should be calculated at fair market value. Only donated items that are directly involved in the project or operations described in this application should be included here. Items or services unrelated to the project, program, or operations even though received by the applicant, are not acceptable.

Community Impact and Outreach -

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.

List the numbers from either your most recently completed fiscal year or the most recently completed calendar year (2008).

If you sell tickets or use a ticketing service (such as Artix) we expect the numbers to be actuals.

FREE Total # of people that received a performance, event, educational outreach or other service from your organization in Salt Lake County for no cost (to the audience/constituent member) The persons being counted don't need to live in Salt Lake County; they only need to have attended an event for free in Salt Lake County.

SALT LAKE COUNTY Total Audience/Constituents served in Salt Lake County. This doesn't mean that you need to ask people where they live – it means the total number of people who came to your events etc which were held in Salt Lake County

EVERYWHERE Total Audience/Constituents served (everywhere) If you only perform or have events in Salt Lake County this number will be the same as the number in the field above. If you tour or present outside of the County this number will be greater.



Financial Information:

All Applicants must complete

- Proposed Project Budget (page 5 in application)
- Organization Financial Statement and Budgets Sheet (page 6 of application – all three columns!)

For All Organizations

Proposed Project Budget Instructions

Page 5 of the application

- On the appropriate lines list the amount of ZAP funding your organization is requesting. Complete this whether you are requesting specific project funds or general operating funds.
- Use the definitions on page 10, 11, 12 and 13 to assist you.
- ***The total proposed project budget should be the same amount that you list on the first page of the application for question F.***

Organization Financial Statement & Budgets

Page 6 of the application

- **Double click into the box to add information. This is an embedded excel file in the document.**
- **If you need to explain any of the line items please submit a notes page or add the comments to the worksheets. Treat this like a footnote or endnote and somehow indicate where the note goes in the worksheet.**

Revenue (Page 6 of the application and Summary Worksheet in the template)

Column A – Actual 2008 Revenue, the funds you have received for your 2007 fiscal year

Column B – Current Revenue Budgeted for Fiscal 2009 (this is most likely the year you are current working in)

Column C – Projected Revenue Budgeted for Fiscal 2010 (this is what you plan or anticipate for next year). This column shows us that you know how to plan and budget for your future.



Line 1. Admissions/Earned Income:

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

Line 2. 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 3. Contributions (Corporate):

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

Line 4. Contribution (Individual):

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

Line 5.a. Government Grant from your City: If you are a city/municipal arts council, put the funding you receive from the city here.

Line 5.b. Government Grant from Utah State Government (Utah Arts Council, Office of Museum Services, POPS, iSee, other state agencies)

Line 5.a. Other Government Grants: Federal Government other County funds (not ZAP)

If you list funding from more than one source in 5a, 5b, or 5c, please itemize somewhere in this application.

Line 6. ZAP grant

Actual 2008 - this was the previous amount awarded by the Zoo, Arts and Parks Program with your 2008 application. If you are unsure call the ZAP Program office or visit the ZAP website and look at “funding history”.

Current 2009 - this should be the amount that you are requesting in this application.

Projected 2010 - this is your best guess as to what you hope to receive in 2010 – be realistic.

Line 7. Other Grants:

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

Line 8. Investment Income:

Revenue or dividends earned from savings, investments/and/or endowment funds. This is interest income from a savings or checking account.

Line 9. Rental Revenue:

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

Line 10 Other Revenue:

Anything else that doesn't fit in the categories above. All other miscellaneous revenue. *If you use this column, please provide a brief description.*



Line 11. Total Revenue:

The total of all of the above amounts. This is a formula in the spreadsheet and cannot be altered.

Expenditures (page 5 and 6 of the application and for the excel template)

Column A – Actual 2008 Expenditures, the funds you spent in your 2008 fiscal year

Column B – Current Expenditures Budgeted for Fiscal 2009 (this is most likely the year you are current working in)

Column C – Projected Expenditures Budgeted for Fiscal 2010 (this is what you plan or anticipate spending for next year). This column shows us that you know how to plan and budget for your future.

Line 12. Salaries and Benefits:

Include all salaries and benefits for all individuals on your staff.

Line 13. Program Independent Contractor Fees: Include all fees paid to outside (i.e. non-salaried) personnel.

Line 14. Program expenses: Include all expenses (materials, supplies, royalties) related to all your programs/exhibitions mounted by the organization.

Line 15. General Administration/ Office Expenses: Include all non-personnel administrative and ticket office supply and materials costs, including office supplies, postage, workspace computers, copiers, fax machines and other office equipment, telephone, professional development and membership dues; and publications.

Line 16. 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, contractors, and artists.

Line 17. Marketing: Include all marketing and public relations costs, non-personnel operating expenses, as well as fees paid to marketing/pr consultants.

Line 18. Development/ Fundraising: Include all fundraising and public advocacy costs, non-personnel operating expenses, as well as fees paid to development and fundraising consultants.

Line 19. 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. Include all utilities including, heat, electricity, insurance, and grounds/facility maintenance operating expenses.

Line 20. Accounting & Legal: Include all fees paid to external accountants and include all fees



paid for legal services.

Line 21. Other Expenditures: Expenditures that will not fit into any of the above categories. Please give us a brief explanation if you use this line.

Line 22. 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.

Line 23. Income/Loss: This is a formula in the template and if you are able to use the embedded excel file in the application. If you are using the spreadsheet it will calculate it automatically. If not, subtract Line 22 from Line 11.

If your total expenditures have increased or decreased by 25% from any of these years, please explain why in the space provided.

Please provide an explanation of Other Revenue in the space provided.

ADDITIONAL FINANCIAL REQUIREMENTS For Organizations requesting over \$15,000

Tier II Organizations **requesting more than \$15,000 and less than \$30,000**

- must submit at minimum their most recently completed review (Fiscal 2008)
- must submit the 2008 and the summary spreadsheets from the excel template

Tier II Organizations **requesting \$30,000 or more and less than \$60,000**

- must submit their most recently completed audit (Fiscal 2008)
- must submit the 2008 and the summary spreadsheets from the excel template

Tier II Organizations **requesting \$60,000 or more**

- must submit their last three years of fiscal audits (the most recent being Fiscal 2008)
- must complete the following spreadsheets from the excel template:
 - Fiscal 2006 Worksheet (in excel template)
 - Fiscal 2007 Worksheet (in excel template)
 - Fiscal 2008 Worksheet (in excel template)
 - Summary & Revenue Worksheet (in excel template)
- As set in County ZAP policies, no one Tier II Organization may receive more than 7% of the total ZAP revenues allocated for Tier II. In 2009, this 7% cap is estimated to be approximately \$100,000.



ZAP Tier II Qualifying Worksheet Instructions (excel spreadsheets)

Only groups applying for \$15,001 or above need to complete these forms

Remember to type in your Organization Name in the 2008 spreadsheet!

The revenue and expenditure definitions for this section are the same as used for the Organization Financial Statement and Budgets in the previous section.

1. COLUMN A- Total Operating Expenses

This column should reflect the organization's total operating expenses for the fiscal year. Line 22 "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, and non-cultural celebratory activities. 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: Percent of 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, Sundance, 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.**



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 22. 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.

Definitions and Instructions For Completing ZAP Non-Qualifying Operating Expenses Worksheet

Line 23. Capital construction expenses

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 expenses in line 21 should include capital expenditures, if there are capital expenditures included in line 21, please enter the amount in Line 23.

Line 24. All Depreciation

Please include all depreciation expenditures for real property and on equipment and other non real property recognized in the applicable fiscal year, per the Statement of Activities.

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 (given to others)

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 financial statement, payments reduce liabilities, however, if payments on loans show in your expense lines include payments here. This would include credit card loans.

Line 30. All non cash expenses including in-kind expenses

All non-cash expenditures include in-kind services and products, all trades, exchange transactions and other similar non-cash consideration. 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

Expenditures for direct political lobbying on all levels. Expenditures for paid lobbyists and all their activities and expenditures on your organization's behalf.

- 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 42, 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

Total of all salary expenditures over \$95,000 per individual, including bonuses and any other compensation for all staff salaries. Benefits, retirement contributions, employer tax expenditures, etc. do not need to be included in this total. 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 Appendix B for more detailed example, or the example on the next page.



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

\$7,750 will be listed on line 44 on the qualifying expenditures spreadsheet.

Line 33. Bad Dept Expense

Expenditures recognized for business' receivables that are deemed uncollectible by the organization. This line should agree to line 29, 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 and 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 46, 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 \$80,000 will be listed on Line 46 on the qualifying expenditures spreadsheet.



Fiscal 2008 Example:

Total facility rent operating expense (line 22, Column F)	\$	230,000	
Total eligible, SL County expenses (line 33, Column F)		2,500,000	
CAP Calculation 6% X \$2,500,000 =	\$	150,000	
CAP rent expense \$230,000 minus CAP of \$150,000	\$	80,000	Amount to enter on line 46

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 and in Appendix B.

Total "cost of good sold" (line 26 Column F)	\$400,000	
Total operating expenses (line 33, 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 47

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.

Line 39. Prior year ZAP award

This should be the amount awarded to you during your fiscal year 2008. If you are unsure of the amount contact the ZAP office. This is included because ZAP funding inflates your budget. In order to create a level playing field this amount (even though it is not an “expense”) is subtracted to get your organizations qualifying expenditures. This amount may not be the same as in your



audited financial statements.

Line 40: Total Qualifying operating expenses

This is a formula.

If your organizations is submitting audited financial statements you must complete the financial worksheets using the excel spreadsheets provided. These are available on the ZAP website www.slcozap.org

Attachments Checklist - Use the checklist on the last page (8) of the application to ensure that your submission is complete.

- DO NOT SUBMIT ANYTHING NOT SPECIFICALLY REQUESTED.
- Do not submit in binders, clear jackets, folders etc – THIS MATERIAL WILL ONLY BE DISPOSED OF.
- Copy of Organization's IRS 501(c)(3) Letter – *do not send By-laws, 990 or anything else as a substitute.*
- If you are local arts/cultural council without your own 501(c)(3) letter we ask you to submit a letter on official city / county letterhead stating you are applying as part of a municipality or county community council.
- **Signature** - Please remember to sign the application and date it.

LATE APPLICATIONS WILL NOT BE ACCEPTED

Applicants have two choices for meeting the application deadline

- **Hand-deliver** the complete application to the ZAP Program office by 5:00 p.m. on the deadline or
- Have the completed application postmarked on the day of the deadline



Appendix A

Reconciling Schedule between Audited Financial Statements and ZAP qualifying expenditures

This is only one example of how you may wish to submit a reconciling schedule to match your organizations audited financial statements with your agency's worksheet. If you are a municipal or community arts council and you are using your municipality's or community Council's audited financial statements you may need to use this or some schedule to assist the ZAP Program in understanding your financial statements.



Sample

THE ARTS COUNCIL OF PLEASANTVILLE CITY
Reconciliation of Statement of Activities to ZAP Expenditures
For the year ended December 31, 2007

	Total Expenses	Non-Arts Council Related Activities*	Arts Council Only 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

* **Total Non Arts Council activities:** All expenditure accounts noted above for Fund 250
(City funds not related to Arts Council)

** **This Total equals expenses that qualify for ZAP funds:**
All expenditure accounts noted above for Funds 100-200



Appendix B

Qualifying Expenses spreadsheet and explanations

In order to understand the explanations on page 23 & 24 you need to get a copy of the Qualifying Expenses spreadsheet file. This is a separate excel file, entitled "Appendix B"

**Appendix B Continued****Qualifying Expenses spreadsheet and explanations**

NOTE: All examples provided are intended to be illustrative, and are not intended to recommend a particular methodology of accounting for non-eligible or out-of-county activity.

Non-Eligible expenditures explanations: (related to Columns B & C)

- A Administrative salaries, Program Salaries, Program Contractor Fees, Marketing, Development, facility rent, and operations and maintenance are all listed at 25% non-eligible activity. Revenues derived from ineligible rental hall activity accounted for 25% of the organization's total operating revenues. The organization therefore allocated 25% of expenses as non-eligible for these categories.
- B Materials and travel expense (including artist housing) are listed at 10% of non-eligible activity. These costs reflect actual expenses in these categories incurred for rental hall activity.
- C Royalties, Housing, Office Expenses (including Ticket Office and House), facility rent, and operations and maintenance costs, Concession/Gift shop are listed at 0% non-eligible activity. Expenses in these categories are only incurred when the organization presents performances itself. Expenses in these categories are therefore 100% eligible.

Out of County expenditures: related to (Columns D & E)

- D All salaries and materials are calculated at 10% out-of-county activity. The organization gave 100 public performances last year, of which 10 were outside of Salt Lake County.
- E Travel and housing are calculated at 50% out-of-county activity. All transportation and housing costs related to out-of-county performances, including airfare, per diem, and hotel accommodations, were included in this column.
- F Marketing was calculated at 13.89% out of county activity. All actual advertising and promotion expenditures for performances given outside Salt Lake County were included in this column.
- G Development was calculated at 20% out-of-county activity. Twenty percent of funds received by the organization were restricted for out-of-county activity. The organization therefore allocated an identical offsetting percentage of development expenses to this column.

Appendix B Continued**Non-Qualifying Expenditures:**



H Salary Cap Calculation

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

The negative calculation indicates that the total salary was reduced below the \$95,000 CAP and nothing further needs to be excluded.