Culture bridges
Local Cultural Council
Direct Grant
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<th>Arlington Cultural Council</th>
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History of Reimbursement-Based Awards

• Mass Cultural Council distributes approx. $4 million to municipalities each year via the Local Cultural Council Program.

• Grants are used to provide funding to arts, humanities and science-related programming within each community.

• This funding has always been on a reimbursement-basis, in which awardees apply for reimbursement from their Local Cultural Council after expending money to run their programs.
Transition from Reimbursement to Grant

Your participation is the first step in making the transition from reimbursement to up-front payments in full. The intent is two-fold:

1. To enhance LCC programming opportunities by imposing less financial hardship on potential grantees.
2. To simplify the payment process for municipalities and councils.
Direct Grant Payment

In most respects, the Direct Grant option mirrors the process and sequence of tasks and decisions in the overall LCC Program Guidelines. Changes for the Direct Grant option are described in the Direct Grant Guidelines that are referenced within the overall LCC Guidelines.

LCC Guidelines

Direct Grant Guidelines

These changes are only in the payment process to grantees. The timeline for the LCC Grant Cycle remains the same as does the LCC application, Eligibility, Grant restrictions, Grant review process and Reconsideration process.
LCC 2021 Timeline*

August

• LCC publicizes the grant program locally.

• LCC updates contact information on Council Profiles.

• MCC notifies LCC of their allocation amounts. *(in FY21 this notification will be delayed until November)*

September

• LCC lists Direct Grant Payments in their council priorities and local guidelines.

• LCC posts priorities on their Council Profiles no later than October 1.

• LCC meets with municipal fiscal officer to complete sections 1 & 2 of the Annual Report.

October

• LCC grant applications open.

• LCC Account Form due to MCC via the online annual report, by November 16. *(sec. 1).*

• LCC Completes Section 2 by November 16.

• Grant applications deadline by November 16, 2020.

November – December

• LCC conducts their grant cycle voting meetings.

• LCC sends disapproval notifications.

• LCC addresses any reconsideration requests.

January – July

• Completes Annual Report by February 16, 2021

• LCC submits annual report to MCC by January 15.

• MCC transfers funds to municipality. *(or once annual report is submitted)*

• LCCs hold grant receptions and attend programs

*see timeline changes for Direct Grant on next slide
Timeline Changes for Direct Grant Payment Option

**January**

- Continue to hold voting meetings

- Once Annual Report is completed, sends packet including: Approval Letter, Grant Agreement, W-9 and the Final Report to grantees.

- Grantee signs and sends Grant Agreement & W-9 back to LCC and W9 to the LCC. (ideally it is returned within 2-4 weeks)

- LCC forwards Grant Agreement & W9 to Municipal Officer (LCC does NOT keep copy of W-9 form).

**February – June**


- Continue to send out Approval Letters and Grant Agreements.

- Municipality processes paperwork and sends payments directly to the grantees.

*Once grantee completes project, they send Final Reports to LCCs. (last date to receive is 1 year from the approval letter)
Direct Grant Sample Award Letter

Incorporates language changes to reflect the new award process.

Can be tailored to meet needs of each LCC.

Sets out special conditions, if any.

Available as Word document online in the Supplemental Guidelines.

Sample Approval Letter

[Town] Cultural Council
Address 1
Address 2
City, State Zip

Date

Dear [Applicant Name]:

The [Town] Cultural Council is pleased to inform you that your application for funding has received approval in the amount of [insert approved dollar amount] to support the following: [insert title of approved project].

As part of our new Direct Grant, you will receive your funding as a direct grant that will not require you to expend your own funds and request a reimbursement. In order to accept your grant and receive payment, you must complete the attached Grant Agreement and W-9 and return them within two weeks. In addition, you will be required to fill out a final report on your project once your program is complete.

Please mail the signed originals to: [insert location address].

Neglecting to include these items will delay your payment. Payment will take approximately [insert length of time].

If you need additional time to complete your project, or would like to make other modifications you must make the request in writing to the LCC who has approved your project. Extension and modification requests are reviewed on a case-by-case basis and are not automatically granted.

You are required to complete a Final Report within two weeks of completing your project for proof of project completion. You may submit the Final Report by email to [insert name and email address]. In addition to your Final Report, please provide:

- [List any other materials your LCC may require] (i.e. receipts, programs, images)

If you are unable to complete your project you will be required to repay the grant funds.

Please note that events and programs funded by the LCCs must be accessible to persons with disabilities, including the facility or event location as well as the content of the program. Please see the Accessibility Guide on the Mass Cultural Council website for more information about ensuring that your project is accessible.

According to IRS guidelines, the grant money you receive may be considered taxable income. Keep the award letter and check stub as a record of the award for your taxes.

There were many worthwhile applications for funding and only a select few were funded during this grant cycle. We congratulate you and thank you for your efforts on behalf of our community. Please contact us if you have any questions.

Sincerely,

[Names of Council Member(s)]

[Contact Number and email address]

Enclosures: Grantee Agreement, W-9, Final Report Form, Grantee Credit and Publicity Requirements
Grant Agreement Form

Incorporates language changes to reflect the new award program.

Sets out terms and conditions of the award.

Two LCC members sign-off on agreement.

Copy should be sent to fiscal officer.

Available online.
IRS-required form that allows municipality to pay performers, organizers and vendors. Available online.

LCC sends original to the municipal accountant or treasurer. Because the W-9 includes private, protected information, LCC will not save copies.
New: The Final Report/Obligation of Grantee

- Grantees must send Final Report to Local Cultural Council. It is suggested that the report be filed within 2 weeks of program completion but absolutely within one year of date on approval letter.

- Confirms Grantee project details and completion.

- Provides public participation information and impact of program.

- Acknowledges compliance with MCC and LCC guidelines.

- Includes required documentation, if any.

  Councils will have ability to request additional documents that will accompany the Final Report. LCC will state those requirements in the Award Letter.

- Local Cultural Councils have the right to request return of grant funds if grantee does not submit a Final Report or program was not completed.

- Grantees that do not repay the grant funds to the Local Cultural Council jeopardize their future funding.
Final Report Form

Required documentation, if any, must be attached.

Additions can be made to the Final Report on a Council-by-Council basis.

Available online.

Local Cultural Council Grantee Final Report

Grantee:
Application Number:
Project Title:
Grant Amount:

1. When did you complete your funded project?

2. Actual total cash expenses: How much did it cost to complete your project?

3. Participation:
   Number of adults engaged in in-person cultural experience?
   Number of children (under 18) engaged in in-person cultural experience:
   Number of artists directly involved:

4. Did you comply with MCC/LCC publicity requirements?
   (please provide proof of credit)

Please tell us any other information you would like to provide about the program? (optional)

Signature (type name here)

(debug)
Recap Direct Grant Forms

**Forms that will be sent to the grantee**

**Award Letter** – this is where you will be able to add the supplemental information the Council will require for the Final Report and any other specific Council requests.

**Grant Agreement Form** - this form cannot be modified but the LCC can attach further requirements as they see necessary.

**W-9** - form sent to municipality. LCC does not keep a copy

**Final Report Form** – this form allows councils to add any questions the council deems necessary, while keeping existing questions. If the council requires receipts or copies of programs to be attached to the Final Report, this should be stated in the Grant Agreement Letter.
RELEASE / USE OF FUNDS

LCC sends completed copies of agreements and original W-9s to municipal fiscal officer.

Municipal fiscal officer follows customary process for paying out LCC funds:

- Award selection process completed by LCC
- LCC submits Annual Report and sends out Approval Letters
- State funds are deposited to Revolving Fund
- Grant Agreement and W-9 received by LCC and forwarded to Municipal Fiscal Officer.

Full amount of grant funds are distributed available for use by grantee.
MUNICIPAL ROLES AND RESPONSIBILITIES

Municipal Fiscal Officer

Continues to maintain & track LCC Revolving Fund.

Continues customary review of LCC payment requests.

Treasurer

Continues to keep separate account for LCC funds.

Continues to distribute LCC funds per town process.

Town Selectboard and City Auditor

Approve payments from LCC Revolving Fund.

*Department of Revenue

New grant payment process has been vetted by the State DOR, Division of Local Services.

G.L. c. 41, § 56. The purpose of the statute is to ensure that the municipality receives the value of its expenditures for goods, services and materials before turning over the funds to the vendor. To a certain extent all grants regardless of the source of funds are contracts as include specific terms and conditions binding on both parties.

However, the monies received by the Local Cultural Council (LCC) from the Mass Cultural Council (MCC) as a grant come from the State Arts Lottery Fund (G.L. c. 10, s. 57), are not tax dollars or other monies raised by the municipality and MCC has the statutory authority to require the LCCs to distribute them in accordance with the policies and procedures it promulgates, including this proposed requirement of advance payment to the ultimate grantee.
“We agree there is no anti-aid issue because the municipality is not spending tax dollars or funds it raises. The monies received by the Local Cultural Council (LCC) from the Mass Cultural Council (MCC) as a grant come from the State Arts Lottery Fund (G.L. c. 10, s. 57) and are being passed through the LCC for re-granting to mostly private parties for the purposes of the fund. (G.L. c. 10, s. 58). Moreover, the MCC program regulations and guidelines include a public benefit requirement for any of the monies distributed by the LCC.”

Zack Blake
Chief, Technical Assistance Bureau
Division of Local Services
100 Cambridge Street, Boston, MA 02114
P: 617.626.2358 | F: 617.660.3981 | W: www.mass.gov/dls
LCC ROLES AND RESPONSIBILITIES

LCC will continue take action, in accordance with LCC guidelines, to:

Provide the municipality with funding list.

Publicize grant awards.

Receive and review Final Reports from grantees.

Ensure grant recipients acknowledge Mass Cultural Council and LCC funding.

Attend and invite elected officials to funded projects.

Conduct their community input process.

Take steps to secure refund of grant award when warranted.
Thank you!
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