The Municipal Guide to Local Cultural Councils:

A Primer for Local Government Officials

A publication of the Mass Cultural Council

A state agency that supports public programs in the arts, humanities, and sciences

The mission of the Mass Cultural Council is to promote excellence, access, education, and diversity in the arts, humanities, and interpretive sciences in order to improve the quality of life for all Massachusetts residents and contribute to the economic vitality of our communities.

As a state agency, the Mass Cultural Council receives an annual appropriation from the Commonwealth, as well as support from the National Endowment for the Arts, a federal agency.

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About This Guide

Through a partnership between the Mass Cultural Council and municipalities, the Commonwealth of Massachusetts has a network of Local Cultural Councils that is unmatched anywhere in the United States. A Local Cultural Council (LCC) exists in every city and town in Massachusetts.

This booklet is meant to orient municipal officials to the Local Cultural Council Program (formerly called the Arts Lottery Program) and how to work most effectively with your own LCC.

Did you know?
The funds received by your Local Cultural Council can:

- Support festivals and cultural events which attract visitors to your community and contribute to the local economy.
- Enhance arts education in local schools.
- Offer environmental education programs for families.
- Preserve historic town documents and landmarks.
- Enable artists and other creative individuals to implement unique projects for the community.
- Leverage other funding through local businesses, individual contributors, private funders, and public sources.

There are 2,500 volunteer members on 329 local and regional councils representing all 351cities and towns in Massachusetts.

Program Overview

Local Cultural Council Program

Through the Local Cultural Council Program, the Mass Cultural Council distributes funds to local and regional cultural councils (LCCs) throughout the state. These funds are allocated to the Mass Cultural Council by the state legislature through the annual state appropriation process. LCCs, in turn, "regrant" funds to individuals and organizations in their own communities; that is, they grant funds to applicants after the Mass Cultural Council has made an "initial grant" or allocation to a municipality.

An LCC is composed of volunteers appointed by the community's chief elected official or board. The purpose of the LCC is to support public projects that promote access, education, diversity, and excellence in the arts, humanities,

and interpretive sciences in communities across the Commonwealth. Local decision making is an integral element of this system. LCCs have the right and responsibility to award grants that address cultural needs specific to their communities. LCC members decide how to distribute funds in accordance with LCC guidelines.

How your municipality's allocation is calculated

The amount of money allocated to each community is determined by using a local aid formula. The formula is based on population and equalized property values in order to provide low-income communities with relatively larger allocations. There is no cash match required of the municipality in order to receive its annual allocation.

Regional councils

Cities and towns may join together to establish a regional council. In a regional council, there must be at least one representative appointed from each community in the consortium. One municipality must agree to serve as the fiscal agent for the regional body, although this function may rotate periodically among towns. By forming a regional council, no single community loses money. Regional consortia must be approved by the Mass Cultural Council. Generally, policies and procedures for the Local Cultural Council Program apply to both single town and regional cultural councils.

Grant cycle FY21 timeline with key dates for municipalities

September

- LCCs publicize the grant program locally
- LCC Account Form sent to municipal treasurers/accountants, due October 31

October

- LCCs post guidelines and funding priorities by October 1
- The Mass Cultural Council sends a standard contract form to the municipality to allow for the allocation to be deposited after the grant cycle is complete.
- An LCC member must meet with the council's municipal fiscal officer prior to October 31. The municipal fiscal officer will provide the LCC with a completed LCC Account Form. Any differences in the LCC's accounting and the municipality's accounting should be worked out at this time. Both parties sign the document and the LCC retains the signed original for their use.

November

- Grant applications due November 16.
- LCC Account Form due to Mass Cultural Council by October 15.

November - December

- Mass Cultural Council delivers panel book of applications to LCCs.
- LCCs determine the total amount available for granting.
- LCCs conduct their grant cycle voting meetings.
- LCCs send disapproval letters.
- Mass Cultural Council facilitates any reconsideration requests with LCCs.
- LCCs enter grant decisions into the online annual report.

January - February

- LCCs submit annual report to Mass Cultural Council by February 16, 2021.
- The Mass Cultural Council transfers grant funds from state to local accounts two to four weeks after the LCC completes the online Annual Report, generally between mid-December and mid-February.
- LCCs send approval letters and publicize awards
- LCCs can begin reimbursements.

Spring

- LCCs process reimbursements requests.
- LCCs ensure that grant recipients acknowledge Mass Cultural Council and LCC funding.
- LCCs attended funded projects and invite elected officials.
- LCCs conduct their community input collection process.

How the Mass Cultural Council ensures an LCC's compliance with its duties

An LCC must comply with its duties as specified in the Mass Cultural Council's Local Cultural Council Guidelines. In the partnership between state and local communities, the Mass Cultural Council relies on municipal officials and employees to help ensure the integrity of the Local Cultural Council program by providing oversight and assistance to the LCC in the above areas.

If an LCC is found in noncompliance, the Mass Cultural Council may suspend all or part of Mass Cultural Council funding for that LCC. The Mass Cultural Council may also specify corrective actions that the LCC must take before the LCC can begin to receive funds again. If an LCC fails to take corrective action specified by the Mass Cultural Council, the Mass Cultural Council may redistribute any funds allocated to that LCC.

Basic state grant making criteria LCCs must follow

*Public Benefit***:** Local council funds must be used to support activities that contribute to the cultural vitality of the community as a whole, rather than benefiting any private individual or group. This does not mean that a large crowd of people needs to participate in order to satisfy the public benefit requirement. For example, an artist working with a small group of teens is a valid public benefit. Whenever possible, activities funded by local councils should be available to the general public by exhibit, performance, demonstration, reading, or other means.

LCCs can fund salaries or stipends for outside artists, humanists, or interpretive scientists to lead cultural activities at schools, libraries and other municipal agencies (field trips, artist-in-residency programs, lectures, performances, etc.).

Grant restrictions

*Refreshments***.** Grant funds received from a local council may not be used to purchase food or beverages. Councils can, however, use administrative funds to purchase refreshments for public events like a grantee reception, but not for their voting meetings.

Eligibility to receive funds from an LCC

Applicants must reside or be located in Massachusetts and should have been engaged in the kind of activity for which funds are requested for at least one year. Each local council should determine its own priorities for funding, based on a community input process. Local councils may accept applications from:

- Individuals
- Private nonprofit organizations that have tax-exempt status under section 501(c)(3) of the Internal Revenue Code.
- Unincorporated associations that can establish a nonprofit objective.
- Schools, libraries, or other public agencies: applications must not violate No Substitution criteria.
- Religious organizations: content must be primarily cultural and cannot have the effect of advancing religion.
- The Local Cultural Council itself: An LCC may submit an application to the Mass Cultural Council for funds to support programs initiated by the local council itself.

The LCC's accountability to local and state governments

Local government reporting: LCCs are part of local government. Therefore, municipal leaders must inform the LCC of standard reporting expected of town committees. This may, for example, include the filing of an annual committee report and regular submission of meeting minutes to the appropriate municipal record keeper.

Compliance with local ordinance or bylaws and established procedures: The cultural council counts on municipal leaders to inform them of local ordinances or bylaws and established procedures relevant to the LCC's activities or to grantees' activities. Examples might include posting meetings, procurement laws, ADA transition plans, etc. The LCC should act in compliance with these.

Open meeting requirements: Under Massachusetts law, meetings of a local "government body," including an LCC, must be open to the public (M.G.L.c.39, ss23A-C) and held in a physically accessible, public facility. Meetings must be posted 48 hours in advance. The municipality should inform and give the LCC a copy of the Open Meeting Law for relevant detail.

Conflict of interest: LCC members are considered "special municipal employees" and are subject to the provisions of the Massachusetts Conflict of Interest Law, M.G.L. 268A. Members of LCCs must avoid real and apparent conflicts between their private interests and public council duties. Elected public officials cannot serve as council members according to M.G.L Chapter 10 section 58.

Recordkeeping: LCCs are required to keep records of finances and of all grants activities for potential audits and as public record.

State reporting: LCCs use an online grants management tool provided by the Mass Cultural Council called the Online Office. Through the Online Office, councils manage their list of active members, update their public contact information and public website, record meetings, and find resources to help them run their council and do the work of the grant cycle. LCCs also use the Online Office to complete the annual state reporting requirement – the online Annual Report to the Mass Cultural Council, a nine-step process by which each council reports their grant decisions to the Mass Cultural Council. An LCC's funds cannot be transferred to their municipal account until it completes the online Annual Report to the Mass Cultural Council.

Local Cultural Council Membership

Council appointments

Members must be appointed by the top appointing official(s) in the community (i.e., the mayor, city manager, board of selectmen or executive officer). All appointments must be recorded by the city or town clerk. Elected public officials may not be appointed to the Local Cultural Council. LCCs are responsible for ensuring that their online member list is accurate and up to date. Municipalities are responsible for ensuring that at least five members are appointed at any time.

Guidelines for appointing members

Numbers: LCCs consist of at least five but no more than twenty-two volunteer members. Appointing more than the minimum required five members is advisable in order to achieve the diversity of knowledge, interests and backgrounds that will translate to strong community representation.

Length of term and term limits: The term of membership for a council member is three years. Members can serve a maximum of two consecutive terms, or a total of six years. They must remain off the council for a one-year interval before serving additional terms. Each council must annually elect a chair, secretary, and treasurer. In addition, the terms of individual council members should be staggered; there should never be 100 percent turnover of members in a single year unless the Mass Cultural Council determines otherwise. Local councils may also elect to designate former officers or members as nonvoting, *ex officio* council members to ensure continuity.

Qualifications to look for in LCC members

Relevant knowledge and interests: Prospective members could be artists, humanists, interpretive scientists or educators.

Diversity: Different racial, ethnic, economic perspectives and backgrounds, differing abilities, balance of men and women and age groups.

Ability to commit time: Prospective members should be clearly informed about the amount of time they must commit to participate fully in the grant review process and be willing to be involved in other duties particular to the LCC's work.

Some particular membership guidelines follow:

- If two or more towns wish to form a regional council, there must be at least one representative appointed from each community in the consortium.

- State guidelines do not require that LCC members live in the town on whose council they serve. Some cities and towns, however, choose to have local residency requirements.
- State guidelines do not require that members be at least 18 years of age. This allows high school students to serve on councils. Some cities and towns, however, choose to have minimum age requirements.

How the LCC can help find new members

Ultimately the authority is with the local official to make appointments; however, local officials often collaborate with the LCC to identify and recruit prospective new members. Conferring with the LCC about individuals under consideration before making appointments ensures that new members complement the diversity and balance of current council members.

Candidates should understand fully what their LCC is and does, and what is expected of members throughout the year. It is advisable for LCCs to meet with prospective members to discuss the LCC and explain the responsibilities of membership. Attending a meeting of the LCC is one good way to become familiar with the program.

Suggestions for the Recruitment of Local Cultural Council Members:

1. Keep a file of names – LCC recommendations, past applicants, people in the news, etc.

2. Announce in the media using press releases, notices and help wanted sections.

3. Post a call for volunteers on the city/town website or Facebook page.

4. Hold an information meeting announced in the local media.

5. Give notice at a town meeting.
Put notices in chamber of commerce and other civic and community newsletters.

6. Use speaking engagements to inform community agencies and groups such as schools, PTOs, colleges, cultural organizations; ethnic, religious, conservation, tourism and senior citizen groups; and agencies representing people with disabilities.

Removing an LCC member before his/her term expires

This is a matter for local resolution. Only the local appointing authority may remove a member before the expiration of a term. Municipal policies and procedures for appointed town committees should be consulted. Under extraordinary circumstances, when for example, a council member is violating policy or procedure, Mass Cultural Council staff should be called to advise. If an LCC appears unable to comply not only with its duties but also with corrective actions specified by the Mass Cultural Council, then the Mass Cultural Council may determine that a partial or complete change in the membership of the LCC may be in order. When the Mass Cultural Council finds an LCC has not

adequately complied with its duties, the Mass Cultural Council may suspend Mass Cultural Council's funding for that LCC.

Management of Local Cultural Council Funds

How state funds are managed at the local level

The Mass Cultural Council relies on the professional expertise and oversight of municipal fiscal officers to ensure that:

- LCC money is handled in compliance with Local Cultural Council Guidelines.
- Grantees are paid as quickly and efficiently as possible.
- Incoming and outgoing funds, and funds carried over from previous years, are appropriately tracked and documented as to how they are used.

There are three kinds of money which LCCs use:

1. Mass Cultural Council distributed state funds (this includes unspent money from previously approved grants)
2. Interest earned
3. Additional dollars raised locally, or fundraised money.

Because different rules apply to each of the above three kinds of money, each type of money should be tracked separately. The LCC program statute (M.G.L. c.10, s.58) states that municipalities shall establish "a revolving account which shall be kept separate and apart from all other monies" for the LCC "in which shall be deposited all receipts from the state arts lottery fund…and any other receipts or donations to the local or regional cultural council authorized by law" and that "all such funds, including interest earned thereon, may be expended at the direction of the local or regional cultural council, without further appropriation." Separate checkbooks or non-municipal accounts are not allowed.

Municipal treasurers and accountants should follow their normal procedures for setting up and tracking revolving fund activity and are encouraged to call the Mass Cultural Council or their Department of Revenue (DOR) Bureau of Accounts field representative if they have questions. According to DOR, the statute directs that all revenue be credited to the LCC account, including gifts and interest, which would otherwise be segregated.

Ultimately, a system must be in place that allows the municipal treasurers, accountants, and the LCC to track the revolving fund account balance and

activity, allocate interest, and to track the receipt and expenditure of different types of LCC funds separately (state funds, locally raised funds, and interest). This does not mean that the treasurer is obligated to establish an entirely separate bank account, but they are responsible for tracking the council's revolving fund balance and activity separately from other funds. To satisfy Mass Cultural Council reporting requirements, the Mass Cultural Council encourages the LCC to meet with the treasurer and accountant or auditor to determine how these recordkeeping goals might best be accomplished.

Councils are entitled to interest on their accounts and to regular financial reports from the municipality. While the Mass Cultural Council encourages municipalities to provide account statements to LCCs monthly, quarterly, or as needed; once a year the Mass Cultural Council requires municipal fiscal officers to complete the Mass Cultural Council's LCC Account Form and provide this statement to their local council. The statement serves as a summary of one year's activity within the council's municipal account. It ensures that state funds are reported accurately to the Mass Cultural Council by the LCC and all funds are disbursed to the benefit of the community. The process for completing the statement is as follows:

1. The Mass Cultural Council will send the municipality the LCC Account Form as an Excel document in August. The city/town treasurer/accountant/auditor will complete the form based on the council's account activity over the specified fiscal year. This form should be completed electronically in Excel; please do not enter work by hand.

2. The Local Cultural Council will receive instructions and technical assistance from the Mass Cultural Council in August to prepare their own records for a meeting with the municipality's fiscal officer. The council is responsible for scheduling this meeting.

3. The local council meets with municipality by October 31 to compare account information. This ensures that councils have the most accurate information possible as they determine how much they have available to grant that fall. During the meeting:
    a. Council and municipality work out any discrepancies and print out the completed form.
    b. Both parties sign off on the LCC Account Form.
    c. Council keeps the original, signed LCC Account Form.

4. The LCC submits the information from the LCC Account Form to the Mass Cultural Council through the Mass Cultural Council's online reporting system by November 16, 2020. The council keeps the signed statement in their records.

LCC funds may be spent as the local council directs and may be accessed only by the process used by the municipal treasurer and/or accountant's office for the expenditure of public funds. These officials should help the LCC to understand how the city or town's disbursement process works.

With the goal being to disburse funds as quickly and easily as possible to grantees, the town treasurer and/or accountant should meet with the LCC chair and/or LCC treasurer regularly, in addition to the September meeting to establish a working relationship and review the procedures for reimbursing grant recipients. Periodically, the LCC should review accounting reports to verify balance and interest earned and any other important information that will help all parties carry out financial activities effectively.

Managing LCC finances is a year-round process. Certain activities happen seasonally (receipt of funds from the state and the completion of the LCC Account Form); however, municipal treasurers make payments to grantees and review financials with the LCC on a year-round basis.

Procedure for paying out funds to grantees

Once a year, state funds are transferred from the Mass Cultural Council to the LCC as follows:

- Municipality signs and returns State Contract for the LCC Allocation to the Mass Cultural Council.
- LCC approves grant applications, gets Mass Cultural Council approval, and then notifies grant recipients.
- Mass Cultural Council electronically transfers grant funds to the municipal treasurer after the state reporting requirements are met, generally between November and March depending on the council's status.
- Upon receipt, the municipal treasurer deposits funds in the council's municipal account.
- Municipal treasurer should notify the municipal accountant and LCC treasurer of receipt of funds (usually by sending a copy of the check).
- Municipal accountant posts receipt in municipal account ledger.
- LCC treasurer should post receipt in the LCC's account ledger.

Municipalities pay funds to grantees throughout the year as grantees incur expenses and request reimbursement. The procedure is as follows:

Reimbursement Grants or Direct Grants to Grantees:

- Grant recipients send standardized Reimbursement Form/invoices (available from the LCC) and receipts to the LCC treasurer for reimbursement of expenses incurred.

  If the municipality requires any additional information or documentation for reimbursement, such as a W9 or 1099, they should notify the LCC of this requirement.

- LCC reviews and approves Reimbursement Forms. Two members of the council sign the form.

- LCC prepares schedule of bills and submits to the municipal accountant for payment on warrant.

  "Progress payments" (reimbursements made before the project is 100 *percent complete) may be made at the discretion* of *the local council, but should be proportionate to the percentage* of *the project that has been completed.*

- Municipal accountant verifies that sufficient funds are available to pay bills and puts them on the warrant for approval by the municipal authorizing official.

- Municipal authorizing official approves the warrant and sends the signed warrant to the municipal treasurer.

- Municipal treasurer cuts checks and mails them.

  Reimbursements may be made either directly to the grantee or *directly to third-party vendors who have provided goods, materials, or services to the applicant.*

- Municipal treasurer submits monthly or quarterly updates on revolving account activity to the accountant and LCC treasurer.

  As with all use of state funds, the municipal financial officers are responsible to ensure that a paper trail is created including receipts, invoices, etc. and retained in LCC records in case of future audit. LCCs should keep paper files for five years and then they should be archived with the municipality's public records.

Direct Grants.

In the FY21 grant cycle, the Mass Cultural Council continues to offer to all cultural councils the ability to pay grantees through a direct grant, eliminating the requirement that grants made with Mass Cultural Council funds be reimbursement based.

The Direct Grant option authorizes municipalities the ability to make grant money available in full and up front to grant recipients.

If an LCC choses to pay grantees using the Direct Grant, they must follow the payment process outlined here in the FY20 Direct Grant Guidelines. All other LCCs and their applicants should continue to adhere to the standard LCC Program Guidelines.

The goal of allowing councils to give direct grants is twofold: to enhance LCC programming opportunities by imposing less financial hardship on potential grant recipients, and to simplify the payment process for municipalities and councils.

https://massculturalcouncil.org/documents/lccguidelines_direct_grant.pdf
https://massculturalcouncil.org/documents/Instructions_for_Direct_Grant_Councils.pdf

State contract for the Local Cultural Council allocation

Each fall, once the Mass Cultural Council determines LCC allocations, we send a standard contract to each municipality that outlines the maximum amount the Mass Cultural Council will deposit into the council's account and references the regulations that govern the spending of those funds at the local level. The contract should be signed by an authorized signatory for the city or town. The official who can sign contracts varies by municipality, but generally are Mayors, Chairs of Boards of Selectmen, Town or City Managers and Treasurers. The Mass Cultural Council has a record of the signee of the previous fiscal year and will send the contract package to that person. Once signed, the contract should be returned to the Mass Cultural Council. The council's allocation will not be transferred to the council until the Mass Cultural Council receives a signed copy of the contract.

Interest earned on state funds and on locally raised funds

As stated in M.G.L. C.10, S.58, LCCs are entitled to interest earned on their account. Funds earned from interest on state funds or those raised locally can

be spent at the discretion of the local council, but only to support the arts, humanities, and interpretive sciences. Unlike funds distributed to the LCC from the Mass Cultural Council, prior Mass Cultural Council approval for expenditure through the state grant cycle is not required.

Funds that are returned, unspent or carried over in a fiscal year

Unspent funds accrue for various reasons, typically because previously approved projects were completed for less than the amount awarded or not completed at all.

An LCC may not accumulate unused state funds at the local level. Unspent state funds from prior fiscal years must be accounted for, reported to the Mass Cultural Council, and regranted in the next available funding cycle stipulated by the timeline set forth by the Mass Cultural Council.

Generally, grantees have one year *after final notification* of an award to complete their project and request reimbursement. An LCC has the flexibility to stipulate a twelve-month project period for its grantees which may begin at a different point in time than when grantees are finally notified of their award. For example, an LCC might wish to start the twelve-month period at the beginning of its fiscal year. Whatever timeline is stipulated, it should be explicitly communicated in the LCC's application guidelines and other materials to grantees.

An LCC may, at its own discretion, approve a reasonable extension of time to a grant recipient. Both the LCC and the municipal treasurer or accountant should monitor the LCC account on a regular basis. *There should be clear accounting of how carryover funds are earmarked.*

In summary, if the original source of the funds is the Mass Cultural Council, the LCC must use the Mass Cultural Council process and timeline for redistributing these funds. Grants made from unspent state funds must go through the state grant cycle.

Funds available to the LCC for administration

Local councils may use up to five percent of their state allocation each funding cycle for council administrative expenses such as paid staff, postage, printing, publicity, phone, and photocopying. Many municipalities provide administrative support and resources to their LCC, which allows the five percent to be used for regranting.

Councils may also use any interest earned on their state allocation or funds derived from sources other than the state allocation for administrative expenses without being subject to any such percentage limit.

The use of the five percent is determined by the LCC. Local council members cannot receive compensation, but can receive reimbursement for expenses. Services of the municipal accounting department are considered a way for the town or city to match state funds and cannot be paid for from the five percent.

The process for reimbursing members for administrative expenses should be determined locally and clearly communicated to the LCC members. Unspent administrative funds from previous years should be granted out during the next available grant cycle.

Administrative Recordkeeping

Ultimately, it is the municipality's responsibility to maintain and make public records available. The Mass Cultural Council may arrange for periodic audits of a local council's records, in particular the applications received, approved, or rejected, and their accompanying documentation. The Mass Cultural Council may also occasionally audit the LCC's fiscal reporting to verify the accuracy of their accounting of state funds and payment requests submitted by grantees.

Recordkeeping and reporting required of the town and the LCC

Records: All applications (approved and disapproved), minutes of meetings, correspondence with Mass Cultural Council, applicants, the town, etc., and other records of local councils are considered public record and should be maintained in a public place for at least six years. If the LCC itself lacks a suitable office space, current year records are sometimes by necessity housed in the home of an LCC member. If this is the case, municipal officials should be apprised of where current records are kept. The LCC must make records available without unreasonable delay and within a maximum of 10 days, in accordance with state rules about access to public records. Permanent records that are completed should be kept in a secure spot identified by the city or town clerk and treated according to standard archival procedures.

Reports: The following information must be maintained in the Online Office and submitted as part of the online Annual Report to the Mass Cultural Council by the LCC each year:

- A summary report on distribution of funds.
- A summary of the community input process.

- The names, mailing and email addresses, and telephone numbers of local council members and their appointment dates.

Sharing Town Resources

Your LCC, as a part of local government, should be supported with the same access to basic resources afforded other local government bodies. Municipalities are expected to support the LCC with in-kind or reduced cost services and resources whenever possible.

Funding: A municipality may provide cash to support staff, program or other expenses to enable the LCC to better serve the community.

Liaison: Many municipalities assign an official municipal liaison to the LCC. A select board, city council member, or other official might periodically attend LCC meetings, assist by providing access to other town officials when needed, help address issues and be an advocate in helping the LCC do its work. Such a liaison can also promote the LCC as a participant in larger civic discussions.

Administrative resources: Along with the need for public meeting and filing space, the LCC benefits from access to a phone, computer, photocopier, and other office equipment. Many municipalities assume photocopying costs at free or significantly reduced rates through in-house services; municipal privileges are extended to cover mailing costs. Basic supplies can be offered at reduced or no cost through the town's procurement officer.

Staff support: Because an LCC is an all-volunteer body whose members may be working during the day, it can be of great service to the community to have a town phone number people can call regarding basic questions (e.g., deadlines, how to get application forms, etc).

Publicity and promotion: In-house bulletins, newsletters, and other communication vehicles should be made available for routine and special announcements about LCC activities. Press mailing lists and contacts should be shared.

Program support: Some municipalities pitch in to assist councils in mounting special programs. For example, public works departments have assisted with trash removal, electrical wiring, or erecting banners for festivals; town engineers have helped ensure the structural soundness of outdoor public artworks and police have helped with traffic control for an outdoor event.

Roles Beyond Regranting for Local Cultural Councils

Other types of LCC activities in the community
The primary responsibility of an LCC is described in the state guidelines as "regranting" state dollars allocated to its community. This is important work and more than enough to keep most councils busy; however, some councils feel that in order to meet community needs, they must to do more. LCCs have broad powers under the provisions of M.G.L. C.lO, 5.58. In addition to their regranting function, they may:

- Raise funds from sources other than the state.
- Initiate council-originated projects.

For those councils that conduct activities beyond regranting, the most common activities are:

- Programming and collaborations
- Information and services, including advocacy
- Fundraising

Programming: Many councils manage their own cultural programs. An LCC itself may initiate a cultural program that addresses community interests not met by other groups. Some LCCs seek out partner organizations to develop projects that are then funded by the council. These may include festivals, exhibits, public art and school programs. Due to conflict of interest laws, the Mass Cultural Council is the first formal level of review for council-originated projects that make use of state funds. Council-originated projects that make use of interest or locally raised funds do not need prior approval from the Mass Cultural Council as long as the activities support arts, humanities, or interpretive sciences.

Information and services: In some communities there is already plenty of cultural activity and the LCC receives many quality applications for programs that meet community needs. In these cases, a council could act as a resource center, providing information and services that benefit cultural organizations, artists, and groups or individuals interested in learning about, sponsoring or attending cultural activities.

Fundraising: The LCC may engage in fundraising. Often councils receive far more applications than can be funded with state funds alone or they may need additional monies to sponsor special programs.

LCCs are encouraged to leverage funds from sources other than the state, such as private contributions, local government allocations, program revenues, and interest earned from the local account. To enhance the opportunity for donors to qualify their gift as deductible for federal income, gifts and estate tax purposes, funds received by gift to an LCC are considered to be donated to a

political subdivision of the Commonwealth, exclusively for public purposes as defined in Section 170(c) of the Internal Revenue Code of the United States. To verify their status to potential donors, LCCs may request a letter from their municipality which states that they are a municipal board and therefore donations to the LCC are tax exempt under that status.

Please read our *Municipal Guide to Fundraising* for more information.

Distribution of locally raised funds

Monies earned from interest on state-distributed funds or those raised from other sources can be spent at the discretion of the local council but only to support the arts, humanities, and interpretive sciences. An LCC may hire an administrator to assist with council business using locally raised funds. (For information on handling of these funds, see Management of Local Council Funds.)

Other Resources

Mass Cultural Council staff: Mass Cultural Council staff in Boston is available to help answer questions and solve problems that might arise. Contact the Communities Department staff at 800-232-0960.

Local Cultural Council guidelines: Guidelines are issued to LCCs regarding the most up-to-date information on statutes, regulations, and guidelines to be used in the conduct of LCC operations.