

ArtsWave Grant Writing Workshop
Making "Cents" Out of Grant Writing: Financial Documentation and Budgets

Let's Get FUNK-y!

- **F – File for your Federal Tax Identification Number and Tax-Exempt Status and register with your State government officials**
 - **U – Understand the acronyms that identify your organization**
 - **N – Never be late in filing your taxes or reports**
 - **K – Know your financial documents**
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- File for your tax identification number (EIN): www.irs.taxid-us.com
 - Apply for 501(c)3 tax-exempt status: www.irs.gov
 - File with:
 - The Ohio Secretary of State: www.sos.state.oh.us
 - The Kentucky Secretary of State: web.sos.ky.gov
 - The Indiana Secretary of State: www.in.gov/sos/business/
 - File with:
 - The Ohio Attorney General: www.charitable.ohioago.gov/charity-registration
 - The Kentucky Attorney General: www.ag.ky.gov
 - For government funding, file with www.SAM.gov to obtain your Unique Entity Identifier (UEI)
 - For certain government funding, register at www.federal.famr.us/CAGE-code for your Commercial and Government Entity Code (CAGE)
 - File your annual federal tax return (990) with the IRS (long form/ez-short form/postcard)
 - File annual reports with your state governmental agencies as required

- **Annual Operating Budget** - A statement of *projected* revenues and expenses over a twelve-month period. This is the entire picture of an organization versus the specific project budget.
- **Income or Profit & Loss Statement** - Reflects *actual* revenues and expenses during a particular period.

- **Balance Sheet or Statement of Financial Position** - A statement of the assets, liabilities, and capital of a business or other organization at a particular point in time. What you “own” versus what you “owe”.
- **Cash Flow Statement** - Provides aggregate data regarding all cash inflows and all cash outflows that pay for business activities and investments during a given period. The purpose of a cash flow statement is to provide a detailed picture of what happened to a business's cash during a specified period, and demonstrates an organization's ability to operate in the short and long term.
- **Financial Statement Audit** - The examination of an entity’s financial statements and accompanying disclosures by an independent auditor. Typically asked for by a grantor when applying organization meets a certain budget size or when government funding is involved.
- **Fiscal Agent** - A fiscal agent, fiscal sponsor, or financial agent is a proxy that manages financial matters on behalf of another party; If using a fiscal agent, be prepared to provide their EIN and a copy of your contractual arrangement with them, as well as any additional financial or support documents requested. A fiscal agency and fiscal sponsorship both represent an arrangement between your entity and a nonprofit organization with 501(c)(3) tax-exempt status. However, with a sponsorship, fiscal control over a project lies with the sponsor and the arrangement must meet IRS criteria to be viable. Conversely, with a fiscal agent, the project control lies with the entity applying for the grant. The important distinction between a fiscal sponsorship and a fiscal agency arrangement is that funds contributed to a non-exempt project that has a fiscal sponsor are tax-deductible to the donor and those that are contributed to a project with a fiscal agent are not.

Writing a Project Budget

Be sure to:

- ✓ **Verify eligibility criteria and review all guidelines for the grant**
- ✓ **Be specific about how the grant funds will be spent**
- ✓ **Complete the budget template provided making certain that it is balanced**
- ✓ **List all current and pending sources of funding and anticipated expenses**
- ✓ **Include in-kind and/or volunteer revenue at a current rate specified for their compensation**

(<https://independentsector.org/resource/value-of-volunteer-time/>)

- ✓ Pay participating individuals at the professional rate of the specific discipline
(e.g. search for average hourly wage for artists)
- ✓ Double check your math

PROJECT REVENUE/SUPPORT	Budgeted	Actual
ArtsWave (Should equal requested grant amount.)		
Corporate/Foundation		
Government		
Individual		
Other Contributed Income		
Earned Revenue (Admissions, Memberships, Contract, Special Events)		
Other Revenue/Support (In-kind, Volunteer labor, or Donated goods/services, for example)		
TOTAL REVENUE/SUPPORT	\$0.00	\$0.00
PROGRAM EXPENSES	Budgeted	Actual
Total Direct Program Costs	\$0.00	\$0.00
1. Artist or production fees		
2. Program staff salary support for the project only		
3. Consultants for the project only		
4. Training/professional development for project		
5. Materials and supplies		
6. Advertising		
7. Digital tools and technology		
8. Cultural facilities		
9. Other		
Total Indirect Salaries & Benefits	\$0.00	\$0.00
1. Administrative Costs		
2. Operating Costs		
TOTAL PROGRAM EXPENSES	\$0.00	\$0.00
TOTAL PROGRAM SURPLUS/DEFICIT	\$0.00	\$0.00

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