Vermont Creative Futures | Round Three Guidelines

The aim of this program is to provide aid to creative sector organizations, businesses, and sole proprietors that continue to struggle financially due to the impact of the Covid-19 pandemic.

**Act 183** allocated: $9 million of American Rescue Plan Act (ARPA) funds to the Vermont Arts Council for Creative Economy grants to cover monthly operating costs, including rent, mortgage, utilities, and insurance, to creative economy businesses and nonprofits that have sustained substantial losses due to the pandemic.

The Creative Futures program of the Vermont Arts Council is made possible by a grant from the State of Vermont through the Agency of Commerce and Community Development, Department of Economic Development.

**Who May Apply**

This program is open to all Vermont-based creative economy nonprofits and for-profit businesses including sole proprietors that can demonstrate economic harm caused by or exacerbated by the Covid-19 pandemic.

Unincorporated arts, humanities, or cultural groups without official nonprofit status may apply using a fiscal agent provided they are otherwise eligible.

In addition, eligible applicants must have:

- Fewer than 500 employees
- Been in operation or had taken substantial steps toward becoming operational as of March 13, 2020 or
- Been created as a new creative sector business after March 13, 2020 due to pandemic economic changes and has documented income from qualifying creative sector work.
What is the Creative Sector?

We define the creative sector as the collective enterprises, organizations, and individuals whose products and services are rooted in artistic and creative content.

The following segments make up the creative sector:

- Culture & Heritage – Historical societies, museums, libraries, independent curators, and exhibit designers
- Design – Product, interior, graphic, architecture, and fashion design firms and designers
- Film & Media – Creators of film, video, animation, digital games, including technicians, costumers, editors
- Literary Arts & Publishing – Print or electronic publishing businesses and content creators, editors, and writers
- Performing Arts – Producers, venues, studios, sound and light technicians, set designers, and performers
- Specialty Foods – Specialty and artisanal food producers.
- Visual Arts & Crafts – Galleries, artists, artisans, craftspeople, culture bearers, and makers

Applicants will choose a business code based on the North American Industry Classification System (NAICS) to indicate their place in the creative sector. Please consult our list of NAICS codes that are part of Vermont’s creative economy for the purposes of this program (click here for list of NAICS codes).

Eligible humanities organizations include museums, libraries, historical societies and historic sites, and civic and social organizations designed to support the cultural or artistic needs of underserved populations.

Applicants’ work or mission must be predominantly rooted in the creative sector. Contact us before applying if you have any questions about eligibility or which code to choose. We reserve the right to make final judgments on eligibility.

Who may not apply

- Individuals who are not working as sole proprietors
- Businesses owned by persons under age 18
- Businesses that are franchises or chains
- Religious, political, or advocacy organizations
- Government agencies
- Pre-K through Grade 12 schools
- Universities, colleges, and academic departments (arts and cultural organizations that operate under the umbrella of a college or university with 501c3 status may apply)
- Sporting event entities, karaoke, exotic dancing, fitness studios
Special Consideration
Organizations serving and led by members of communities traditionally under-resourced in the arts and humanities are encouraged to apply and will be given special consideration. These groups* include:

- People of color or indigenous people
- People who identify as LGBTQ+
- People who live in rural areas
- People with disabilities
- People who identify as immigrants or refugees
- People whose first (or only) language is not English

*Please note that this is not an exhaustive list.

Uses for funds

These funds are for any regular operating expenses, including but not limited to payroll and benefits, utilities, rent, and insurance; and excluding restricted uses below. These funds do not require a match.

Restrictions on fund use:

- Avoid duplication of benefits: This funding may not be used for overlapping project costs with any other pending or approved application(s) for federal funding and/or approved federal awards
- Funds may not be used as non-federal match for other Federal Programs whose statute or regulations bar the use of Federal Funds to meet matching requirements
- Funds may not be used toward capital costs, other than mortgages

Criteria

Applications will be evaluated using the following criteria:

- Severity of Covid-19 Pandemic Harm (as identified in the Final Rule from Treasury: financial insecurity, decreased revenue, increased cost, challenges meeting payroll and other operating costs)
- Community and Cultural Impact (mission, cultural significance, and communities served)
- Economic Impact (role in local economic recovery, ability to retain or rehire jobs, provider of unique products or services, likelihood of post-pandemic resilience)
Amount of Awards

Awards are based on 2019 operating revenue, or 12 full months of pre-pandemic revenue as documented in your tax return (for example, if your fiscal year begins July 1, then your award size would be based on the revenue from the tax return ending June 20, 2019). We will determine appropriate grant awards for applicants with an incomplete or irregular pre-pandemic tax year.

For most entities, operating revenue can be found in these places on your tax return:

- 990: Line 12, “total revenue” minus significant capital campaign or endowment contributions
- 1040, schedule C: Line 1, “Gross receipts or sales”
- 1120, Line 1, “Gross receipts or sales”

<table>
<thead>
<tr>
<th>2019 operating revenue</th>
<th>Amount</th>
</tr>
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<tbody>
<tr>
<td>over $2M</td>
<td>$200,000</td>
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<tr>
<td>over $1.75 M - up to $2 M</td>
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<td>over $1.5 M - up to $1.75 M</td>
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<td>up to $50,000</td>
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</tbody>
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Application Timeline

There are three rounds for this program:

Round 1: open Sept. 15 – Nov. 1, 2022; notifications by mid-December
Round 2: open Jan. 5 - Feb. 28, 2023; notifications by mid-April
Round 3: open May 1 - June 30, 2023; notifications by late-August

Application Review

Applications will be evaluated based on the selection criteria rather than on a polished application. With these funds, we seek to fund a diverse range of entities of different disciplines, sizes, geographic locations, and backgrounds. (see Special Consideration above)

Applications will be reviewed by an outside review panel. Applications that are not funded in one round will automatically be re-considered in the next round.

Applicants will be required to disclose all past, pending, and potential Covid-19 pandemic relief funding. This will be considered when determining the applicant’s “severity of pandemic harm.”

Awards will be released upon receipt of a signed contract. A brief final report will be required on or before 30 days after the award end date.

Get ready to apply

• Register in our grant portal: https://vac.spectrumportal.net/accounts/register. NOTE: All Creative Future applicants (including sole proprietors) MUST register as an “organization applicant”
• Begin preparing documents (see list below)

Documents Required

Financial documentation demonstrating a full year of pre-pandemic revenue:
• Submit either your 2019 tax return or 2019 financial documents: a) profit and loss statement (P&L), b) beginning balance sheet
  o Entities earning less than $50k per year do not need to submit balance sheets
  o Sole proprietors or LLCs who file as sole proprietors - submit just the schedule C from your 1040 tax returns and remove or redact social security numbers from all financial documents
  o Organizations that filed only a 990EZ postcard must include a profit and loss statement for 2019
  o If you were not in business in 2019, upload a document stating when the
Financial documentation for 2020, 2021, and 2022:

  - Entities earning less than $50k per year do not need to submit - balance sheets
  - Sole proprietors or LLCs who file as sole proprietors - submit just the schedule C from 1040 tax returns and remove or redact social security numbers from all financial documents
  - Organizations that filed only a 990EZ postcard for 2020, 2021, or 2022 must include profit and loss statement for these years
  - If not in business in 2020, 2021, or 2022, upload a document stating when the business opened

Current year financial documentation:

- Submit for the current fiscal year a) profit and loss statement (P&L), b) beginning balance sheet, and c) ending balance sheet for the P&L period
  - Entities earning less than $50k per year do not need to submit balance sheets
  - Other financial documentation might include:
    - 2018 tax returns or financial records for businesses in order to demonstrate a full year of pre-pandemic revenue
    - Financial documents or other information to demonstrate that your entity was legally organized prior to March 13, 2020, but had not yet become fully operational

If funded, applicants will need to provide bank account information to transfer funds

Access Compliance and Nondiscrimination Policy

The Vermont Arts Council is committed to supporting entities that maintain an environment free from discrimination on the basis of race, religion, color, creed, national origin, age, sex, marital status, sexual orientation, gender identity or expression, genetic bias, disability, citizenship, veteran status, or other category protected by applicable state or federal law. Funding recipients who receive federal or state funds must be in compliance with the requirements of Section 504 of the Rehabilitation Act of 1973 (504), the Americans with Disabilities Act of 1990 (ADA), the ADA Amendment Act of 2008, and the 2010 ADA Standards for Accessible Design along with the 2010 ADA Title III regulations for nondiscrimination.

The Council accepts applications via an online form. If you require an alternate format or assistance to access the application, please contact the program managers at creativefutures@vermontartscouncil.org or Michele Bailey, accessibility coordinator by email at mbailey@vermontartscouncil.org or at 802.402.4614. Voice and relay calls welcome.
Questions?
We welcome conversations well in advance of your application. Our role is to help you prepare the strongest application possible and support you in the application process. Visit the Creative Futures website for information about grantseeker workshops and scheduling a time to meet with a program staffer. Inquiries about the Vermont Creative Futures Program can be made by sending an email to creativefutures@vermontartscouncil.org or calling Kathy Mulvaney at 802.402.4409.