

Edmonton Arts Council Operating Grants Operating Grants Reductions Policy

Preamble

The Edmonton Arts Council delivers City of Edmonton grants in accordance with Bylaw 14157 and Policy C211F or their successors. Edmonton Arts Council juries assess applicants and make funding recommendations based on criteria published for each grant program.

The Edmonton Arts Council prefers and encourages stability in Operating grants. This allows organizations to reasonably budget from year to year, but must be balanced with the responsibility to ensure Organizations that are funded meet a reasonable standard of activity and accountability consistent with public funding.

Applicant organizations occasionally have challenges meeting this reasonable standard. When that applicant is an ongoing recipient of EAC operating grants this presents a conflict of values, given the preference for stable funding year-to-year.

The intent of this policy is to provide a level of notification to applicants and clear guidance to juries when there is a potential for grant reductions. The final decisions regarding grant recommendations to the City of Edmonton rests with the Edmonton Arts Council Board of Directors following any appeals processes.

Operating Grants Reductions Policy

This policy will apply to applicants applying for Operating Grants that are assessed by peer juries, specifically Arts Operating and Festival Operating at the time of writing.

There are three parts to this policy:

- 1) Concerns and Warnings leading to grant reductions
- 2) Extraordinary Circumstances warranting grant reductions
- 3) Overall budget reductions leading to grant reductions

1) Concerns and Warnings leading to grant reductions

An operating grant peer jury can express a Concern when they feel that an applicant has failed to meet a reasonable standard related to any of the assessment criteria identified in the program guidelines. Having expressed a Concern about an applicant, Juries must then make Recommendations. In subsequent year(s) a Concern may be upgraded to a Warning, accompanied by potential grant reductions following the procedure outlined in this policy.

Situations that may cause a jury to express a Concern include as examples:

- Persistent and ongoing reduction in relevant programming or activities in Edmonton.

- Financial issues such as high debt, ongoing deficits or similar crises. This may also include non-compliance with the EAC's Designated Funds policy.
- Poor or failing organizational structure (vacant Board positions, lack of staff, absence of long range strategy, questions of overall capacity/stability).
- Failure to provide sufficient information in their grant application

The Edmonton Arts Council refrains from expressing concerns regarding the aesthetic or programming choices that an applicant makes, except where those choices impact the organization's stability or finances, or are a signal of other issues with the organization.

Juries often offer feedback to applicants to communicate some of their assessment. Notifications under this Concerns and Warnings policy must be explicitly stated, over and above the usual jury feedback to applicants.

2) Extraordinary Circumstances warranting grant reductions

The Edmonton Arts Council recognizes that juries may wish to recommend reduced grants or removal of funding in response to extraordinary circumstances. Examples of extraordinary circumstances may include:

- the complete organizational or financial collapse of an organization
- more than one year of no discernable activity by an organization

If a jury feels that an organization is in an extraordinary situation that warrants immediate grant reductions outside the scope of the other provisions of this policy, they must provide a detailed justification delivered by the jury chair to the EAC Board of Directors.

3) Reductions in overall available grant funds

Grants reductions due to Concerns or Extraordinary Circumstances are suited to situations when overall available grant funds are equal to or greater than the year before.

Should the situation arise when EAC Budgets allocations will not support stable grant levels for all applicants, then reductions are to be expected as a natural part of the jury's work. The EAC will expect the jury to make judicious grant recommendations with the overall good of the applicant community in mind. The jury may make use of the other two parts of this policy in response to specific circumstances, but will not be obligated by those provisions when recommending reduced grants in this situation.

Procedure – Concerns and Warnings leading to grant reductions

1. Year One
 - a. The Jury may formally notify the applicant of a Concern, and must then make one or more Recommendation(s) specific to the area of Concern. This must consist of one or more actions/activities/processes to show that the applicant has acknowledged the issue and is responding.

- b. The Grants staff will include in the applicant's notification letter the Concern identified along with the Recommendation(s). The applicant will have the opportunity to address this as part of the appeals process should they choose.
- c. The applicant should (but is not required to) respond to the Concern in their next application to the same program, either by implementing the Recommendation(s), or another course of action as determined by the applicant.
- d. The subsequent jury will be informed of the Concern and Recommendation(s) previously provided.

2. Year Two

- a. The jury assesses the applicant based first on the evaluation criteria of the grant program and then based on any responses to the issues expressed by the previous jury.
- b. They may determine that the issue has been addressed, or in their opinion is not relevant, at which point they declare that this policy no longer applies to this applicant.
- c. They may express the same or different Concern(s), at which point the procedure for Year One will apply.
- d. The Jury may determine that the applicant has not responded adequately, and issue a Warning to the applicant and Recommendation(s) on how to address the issues.
- e. Along with a Warning, the Jury may recommend a grant reduction of no more than 15% from the previous year.
- f. The Grants staff will include in the applicant's notification letter the Warning and Recommendation(s). The applicant will have the opportunity to address this as part of the appeals process.
- g. The applicant is required to show evidence of response to the Warning and Recommendation(s) in their next application to the same program.
- h. The subsequent jury will be provided the full history of the applicant related to this policy.

3. Year Three

- a. The jury assesses the applicant first based on both the evaluation criteria of the grant program and then based on any responses to the issues expressed by the previous juries.
- b. They may determine that the issue has been addressed, or in their opinion is not relevant, at which point they declare that this policy no longer applies to this applicant.
- c. They may express the same or different Concern(s), at which point the procedure for Year One will apply.
- d. They may issue further Warning(s) to the applicant, at which point the procedure for Year Two will apply.

- e. They may determine that the applicant has not adequately responded to the Warning(s) the applicant's situation warrants, and may recommend a reduced grant amount by up to 50% from the previous year. A statement of the Jury's Concern(s), the Warning(s) and Recommendation(s) must accompany recommendations of Grant reductions.
 - f. The Grants staff will include in the applicant's notification letter the Warning and Recommendation(s) by the jury and the applicant will have the opportunity to address this as part of the appeals process.
 - g. Should the organization choose to apply again, the subsequent jury will be informed of the application history of the organization, including the previous years' jury Concerns.
4. Year Four
- a. Should an organization choose to submit another application, the procedures for year three shall apply, except that the jury will have the option to return a grant of any amount, including a response of 'unsuccessful'.