



Arts Economic Relief Grant Program Guidelines

The Ohio Arts Economic Relief Grant Program (the “Program”) was created by House Bill 45 of the 134th General Assembly (“HB45”) to provide grants to Performing Arts Organizations or operators of Cultural Arts Museums. The grants can be used to defray costs for employee compensation (excluding bonuses); employee recruitment, rehiring, and training expenses; rent or mortgage payments; operating costs; and capital expenditures. The program will be administered by the Ohio Department of Development (“Development”). This Program is funded through a subaward of the state of Ohio’s allocation of Coronavirus State Fiscal Recovery Funds as authorized pursuant to the American Rescue Plan Act, Pub. L. No. 117-2 (March 11, 2021) (“ARPA”). Unless otherwise defined in these Program Guidelines, all terms shall have the meaning set forth in HB45.

Section I - Definitions

- (A) “Capital Expenditures” means expenditures to acquire capital assets or expenditures to make additions, improvements modifications, replacements, rearrangements, reinstallations, renovations, or alterations to capital assets that materially increase their value or useful life, which are needed as a result of COVID impacts (consistent with ARPA requirements). Examples include:
- Installation and improvement of ventilation systems, such as HVAC improvements, filtration systems, maintenance for increased functionality.
 - Adaptations to facilities for social distancing, such as barriers/partitions, workplace/office adaptations for staff and visitors social distancing/working remotely, window/door improvements to increase air flow.
 - Mitigation measures, such as installing/creating outdoor space, installing touchless doors, sinks, etc., equipment that would exceed capitalization threshold for cleaning or monitoring/testing guests.
- (B) “Political Subdivision” means a municipal corporation, township, county, school district, or other body corporate and politic responsible for governmental activities in a geographic area smaller than that of the state.
- (C) “Primary Purpose” means the principal, fundamental, predominant, or independent objective of the operations.
- (D) “Principal place of business” means the primary location from which the applicant conducts and coordinates its business operations.

Section II - Eligible Applicants

To be an eligible applicant under the Program, an applicant must be either (i) a Performing Arts Organization or (ii) an operator of a Cultural Arts Museum.

- (A) To be a Performing Arts Organization, an applicant must:
 - i. Have its principal place of business in the State of Ohio; and
 - ii. Have a primary purpose to produce or present performance in music, comedy, the performing arts, or related fields.
- (B) To be a Cultural Arts Museum, an applicant must:
 - i. Be located in the State of Ohio; and
 - ii. Have a primary purpose to exhibit or present property for artistic or aesthetic purposes, including property related to painting, drawing, design, sculpture making, ceramic making, printmaking, photography, video and filmmaking, graphic design, architecture, textiles, performing arts or preserving and interpreting the history, art, and culture of popular music and multidisciplinary art forms.
- (C) Additionally, a Performing Arts Organization or Cultural Arts Museum must:
 - i. Be operated by or partially funded by a (i) political subdivision of the state of Ohio, (ii) state institute of higher education, or (iii) charitable organization.
 - ii. If operated by or partially funded by a political subdivision or a state institution of higher education, receive a majority (greater than 50%) of its funding from sources other than such political subdivision or institution.
 - a. For clarification, no single political subdivision or state institution of higher education may constitute greater than 50% of the applicant's total funding sources.
 - iii. If operated by a state institution of higher education, (a) have a managing board that is independent of the institution's board of trustees and (b) does not present work exclusively by or for students.
 - iv. Manage its own budget.
 - v. Have an annual, independent audit.
 - vi. Have been in operation as of January 1, 2019.
 - vii. Have an operating budget for fiscal year 2022 of at least \$25,000.

Section III – Application

- (A) Eligible applicants will be able to apply via a link on Development's website at development.ohio.gov/business/state-incentives/artsgrant.
 - i. More information about the application and required documentation can be found in the Application Guide, which is also available on Development's website.

Section IV - Grant Award

- (A) Grant awards will be equal to 10% of the applicant's fiscal year ("FY") 2022 operating expenses, not to exceed applicant's cumulative decrease in gross revenue in FY 2020 and FY 2021 when compared to FY 2019; no grant award may exceed \$1,500,000.
- (B) Examples:
 - i. *Example 1:* An applicant ("Applicant 1") had \$100,000 in FY 2022 operating expenses. Applicant 1 had a \$50,000 decrease in gross revenue in FY 2020 and a \$25,000 decrease in gross revenue in FY 2021 as compared to Applicant 1's gross revenue in FY 2019, for a cumulative decrease in gross revenue of \$75,000. If Applicant 1 meets all other eligibility criteria, Applicant 1 may be awarded \$10,000.

- ii. *Example 2:* An applicant (“Applicant 2”) has \$20,000,000 in FY 2022 operating expenses. Applicant 2 had a \$1,000,000 decrease in gross revenue in FY 2020 and a \$2,000,000 decrease in gross revenue in FY 2021 as compared to Applicant’s gross revenue in FY 2019 for a cumulative decrease in gross revenue of \$3,000,000. If Applicant 2 meets all other eligibility criteria, Applicant 2 may be awarded \$1,500,000.
 - iii. *Example 3:* An applicant (“Applicant 3”) has \$1,000,000 in FY 2022 operating expenses. Applicant 3 had a \$50,000 decrease in gross revenue in FY 2020 and a \$25,000 decrease in gross revenue in FY 2021 as compared to Applicant 3’s gross revenue in FY 2019, for a cumulative decrease in gross revenue of \$75,000. If applicant 3 meets all other eligibility criteria, Applicant 3 may be awarded \$75,000 (because in this example, the total cumulative revenue decrease from FY 2020 and FY 2021 operates as a cap prior to Applicant 3 hitting the 10% of FY 2022 operating expenses amount of \$100,000).
- (C) Development will review and make awards to eligible applicants based on a first-come, first-served basis, provided that priority will be given to applicants that did not receive funding from the Ohio Arts Council pursuant to the CARES Act (OAC Reopening and Economic Relief).

Section V – Eligible Expenditures

- (A) Grant funds awarded under the Program shall be used for one or more of the following costs incurred by the applicant on or after March 1, 2022, through December 31, 2023:
- i. Employee compensation, excluding bonuses.
 - ii. Employee recruitment, rehiring, and training expenses.
 - iii. Rent or mortgage payments.
 - iv. Operating costs.
 - v. Capital expenditures (as defined in Section I).
- (B) Ineligible Expenses
- i. Expenses incurred after December 31, 2023.
 - ii. Expenses covered by insurance or reimbursed through other local, state, or federal aid or programs shall not be eligible under the Program.

Section VI – Agreement and Disbursement of Funds

- (A) Upon approval of a grant award, applicant will be required to provide an OhioPays number and accept the award and acknowledge the Program Terms and Conditions, which will operate as the Grant Agreement.
- (B) Upon acknowledgement of the Terms and Conditions, Development will disburse the grant funds to the applicant via OhioPays.
- (C) Following the utilization of the grant funds, applicants will be required to reconcile the use of funds via the Quarterly Reports outlined in Section VII below.
- (D) More information about OhioPays, including how to register, can be found at <https://ohiopays.ohio.gov/>.

Section VII – Reporting

- (A) Quarterly Reporting. A quarterly progress report will be required to be submitted to Development for each quarter during the grant period (disbursement of funds through grant completion, 12/31/2023). The report will include information requested by Development, such

as (i) how the grant funds were utilized (from eligible categories in Section V above), (ii) number of events or performances, (iii) number of visitors by month, (iv) any other information requested by Development.

Section VIII – General Information

- (A) The state will be issuing a 1099 because reporting circumstances may vary depending on the organization type and specific laws and rules. Grant recipients should consult with an accounting professional for guidance related to tax reporting and payment.
- (B) Applicants that receive funds from the Program shall keep records of all specific expenses for which the funds were used for a period of five (5) years after the grant period. These records shall include, but not be limited to, paid invoices, canceled checks, payroll records, and other documentation acquired when the permissible expense occurred.
 - a. Upon request, the applicant shall provide access to these records to the state of Ohio, its agencies, agents, directors, and/or any party that has contracted with the state for the exclusive purpose of evaluating or ensuring compliance with Program requirements.
 - b. At its own expense, the applicant shall provide photocopies of all requested records to the state or any of the aforementioned parties upon written request of the state within a reasonable time of the request.
 - c. Failure to abide by this requirement may result in a demand for the applicant to repay Program funds to the state of Ohio within thirty (30) days of a written demand for repayment.