



**Covid-19 Community Recovery and Resiliency Plan  
Small Business Support Strategy  
Grants for Non-Profit Arts Small Businesses**

**Background**

On March 13, 2020 Mayor Nirenberg issued the first Emergency Declaration for San Antonio limiting crowd sizes to curtail the spread of the global pandemic of COVID-19. Mayor and City Council have updated and extended those orders multiple times to date and most arts organizations remain shuttered at least through May 2020 and beyond.

The Arts are vital to a healthy, thriving community. Arts and Culture keep us rooted in our history and traditions, but also help us branch out in our critical thinking and problem solving through creativity. Americans for the Arts asserts that arts organizations are resilient and entrepreneurial businesses that employ people locally, purchase goods and services from within our community, and market and promote our City. Arts businesses are established locally and these jobs cannot be shipped overseas. According to a report by local economist Dr. Steve Nivin, the arts and culture sector had a \$4.8 billion economic impact in 2018. Nationally, the arts and culture industry represents 4.2 percent of the nation's GDP—a larger share of the economy than transportation, tourism, and agriculture.

In a report from our partner, SMU|DataArts, the estimated aggregate -\$6.8 billion net effect of the COVID-19 crisis on the nonprofit arts and culture sector equates to a deficit equivalent to 26% of expenses for the average organization, over the course of a year.

On June 4, Council approved the COVID-19 Community Recovery and Resiliency Plan. The Plan directed the City Manager to “execute the Plan in accordance with Council-approved guiding principles and implementation strategies.” Per the adopting ordinance, the City Manager was directed to “work closely with the appropriate City Council subcommittees... to gather input on establishing frameworks under the Plan for addressing the immediate needs of residents and businesses resulting from COVID-19 and helping guide the framework for distribution of resources to assist the residents and businesses of San Antonio” and was authorized, “in conjunction with the City Attorney’s Office, to negotiate and execute any and all necessary agreements, applications, assurances, certifications, contracts and other documents and instruments to provide public assistance from funds available under the Plans, as may be amended, on eligible expenses.”

The City Council action authorized \$2.6M for arts utilizing federal Coronavirus Relief Funds with \$2M for non-profit arts businesses who suffered business interruption caused by required closures during the period beginning March 13, 2020 through December 30, 2020 due to COVID-19 pandemic.



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**FEDERAL REGULATION:**

The United States Congress passed the Federal CARES Act which established the Coronavirus Relief Fund (the “Fund”) and appropriated \$269,983,717 to the Fund for San Antonio. The CARES Act provides that payments from the Fund may only be used to cover costs that—

1. are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID–19);
2. were not accounted for in the budget most recently approved as of March 27, 2020 (the date of enactment of the CARES Act) for the city government; and
3. were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020.

Full excerpt of the regulations may be found at: <https://home.treasury.gov/policy-issues/cares/state-and-local-governments>

**PURPOSE:**

The main goal of this program is to help local non-profit arts organizations that are struggling as a result of the pandemic begin on a path of recovery, and ensure the adoption of safe practices for their employees and customers by taking the *Greater.SAfer.Together Pledge*.

**SAN ANTONIO PLAN FOR NON-PROFIT ARTS GRANTS:**

The Department followed the Arts Agency Funding Guidelines adopted by Council February 15, 2018 for the non-profit arts agency funding with adjustments as a result of:

- 1) Federal grant requirements
  - a. Restrictions: Funds can be used to assist small businesses that suffered business disruption and were forced to close due to COVID-19
  - b. Funds availability: Requirements that the funds must be spent by December 30, 2020 necessitates implementation of an expedited application, review and selection process. City Manager was given authority to implement the Plan and execute agreements when the COVID-19 Community Recovery and Resiliency Plan on June 4, 2020. Department of Arts & Culture will manage the process.
- 2) COVID-19 Community Recovery and Resiliency Plan approved by City Council June 4, 2020
  - a. Plan adopted equity as a guiding principle; “imbed equity in policy decisions and distribution of funds.” Equity means that our policy-making, service delivery, and distribution of resources account for the different histories, challenges, and needs of the people we serve. Equity prioritization was presented to the City Council Economic & Workforce Committee mirrors the Arts Agency Funding Guidelines by including these following priorities in funding distribution,



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- culturally-specific agencies (as defined in current guidelines)
  - small agencies (as defined in current guidelines)
  - mid-sized agencies (as defined in current guidelines)
  - large agencies (as defined in current guidelines)
- b. Another priority will be for agencies that currently receive funds from the City as the goal of this program is to stabilize the arts and culture industry and provide jobs.
- c. Funding percentages had to be adjusted to fit the amount of funding available and to ensure the Guiding Principle of Equity would be realized in a program that is intended to be a one-time infusion of emergency funding to offset business disruption rather than a long term (3 year) strategy for operations.

**Grant Eligibility**

All completed applications will be reviewed for eligibility. In this agreement, Department will utilize the SanAntonioGoSmart grant platform to administer the SA CARES 4 Art Non-Profit Small Business grant opportunities. The grants will not be awarded on a first come, first serve basis. Instead, each applicant will be reviewed and deemed eligible or ineligible. All eligible non-profit applicants will be funded based upon the funding scale and amount of available funding.

*To be Eligible for funding all applicants must:*

- Meet Small Business Administration size limits for their industry classification to be designated as a “Small Business.” Size limits may be found at this website:  
<https://www.sba.gov/document/support--table-size-standards>
  - Department will use average expenditures for the last 3 years of IRS 990s in GuideStar to verify size.
- Be a San Antonio Based IRS recognized 501(c) 3 tax-exempt non-profit in “good status” as a nonprofit corporation and up to date with IRS 990 filings.
  - Department will validate whether the organization has a current, valid 501c3 status with the Texas Secretary of State (SOS). This validation will prove whether the non-profit is listed as inactive or has not renewed its documentation with the SOS, whether they have forfeited, voluntarily or involuntarily dissolved, or terminated their existence.
- Have been in existence and actively producing programs that are open to the public in the City of San Antonio for a minimum of three years. Membership only organizations are not eligible.
  - Department will use letters of incorporation and IRS 990s to ensure the agency was established prior to March 1, 2017.
  - Review Panel will check website for mission and public programming.
- Be an **arts and cultural business** whose mission and actual operations (as articulated within its mission statement) is primarily the creation, education, preservation, presentation of arts or cultural programming; and be the primary presenter/producer of the work and responsible for all aspects of its provision to the community. Applicants are **not** allowed to be fiscal sponsors.
  - Department will use letters of incorporation to ensure the agency was established with the primary purposes listed above.



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- Department will verify the actual operations of the agency fit within the arts and culture mission and that the agency is the primary presenter/producer.
- Department will review the agency’s mission on GuideStar and their Website to ensure they match and provide this info to the Review Panel.
  - Review Panel to determine if a non-profit qualifies as Culturally Specific in order to receive additional 5%.
- Have at least one paid staff person who will be designated as administrator of the grant funds. Volunteer only organizations are not allowed as this is an economic development grant.
  - Department will check this through IRS 990
- Demonstrate the costs of business interruption caused by required closures during the period beginning March 13, 2020 due to COVID-19 pandemic in at least the amount of the grant.
  - Department will verify using board approved budgets for current fiscal year and amended budget amounts with minutes of the board meeting proving the budgets were adopted. Next year’s approved budget.
- Commit to the Greater. SAfer. Together. Pledge.

**Calculation of Award:**

“SA CARES 4 Art” grant program allocations will be distributed to eligible non-profit arts small businesses up to the maximum amounts as follows:

Non-Profit Arts Business Size <sup>1</sup>

Budget	Range	Max Award *
\$ 40,000	to \$ 200,000	10.0%
\$ 200,001	to \$ 500,000	9.0%
\$ 500,001	to \$ 800,000	8.0%
\$ 800,001	to \$1,000,000	7.0%
\$ 1,000,001	to \$2,000,000	6.0%
\$ 2,000,001	to \$3,000,000	5.0%
\$ 3,000,001	to \$6,000,000	2.0%
\$ 6,000,001	to \$ 8,000,000	1.0%
\$ 8,000,001	to \$15,000,000	0.75%
\$ Over \$15,000,000		Not eligible

\*In keeping with the City's Cultural Equity Policy, Culturally Specific<sup>2</sup> Non-Profit Arts Businesses’ Max Award percentage will be increased by an additional 5%.

1. **Non-Profit Arts Business Size** will be based on average of the last 3 year of IRS 990 in GuideStar at <https://www.guidestar.org/search> at the time of application (Line 18 - expenditures).



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2. **Culturally Specific Non-Profit Arts Businesses** are defined as organizations whose **specific mission** as posted in GuideStar and verified on their website that their actual programming has a specific focus to promote, preserve and enhance the identity and character of one of the following specific cultures:

- *Women*
- *African-Americans*: Persons with origins in any of the black racial groups of Africa.
- *Hispanic-Americans/Latinx*: Persons of Mexican, Puerto Rican, Cuban, Spanish or Central and South American origin.
- *Asian-Americans*: Persons having origins in any of the original peoples of the Far East, Middle East, Southeast Asia, the Indian subcontinent or the Pacific Islands and any other region of the Asian continent.
- *Native Americans*: Persons having origin in a recognized Native American Tribes.

Culturally Specific Non-Profit Arts Businesses are not designated based on their audiences, customers and clientele.

In order to qualify as a Culturally Specific Non-Profit Arts Business, the leadership (Executive Director and Board Chair) of the Culturally Specific non-profit business must demographically represent the specific culture identified.

3. Non-profit Arts Small Businesses that do not have a current grant from the City will be treated as “new” and funding will be limited to one half of the funding in the scale in which they qualify.
4. If amount of funding is not sufficient to meet amounts listed above, all non-profit arts business allocations will be reduced at the same rate. However, if additional funding is made available subsequent to the initial award, the non-profit may receive additional funds up to the amount of loss.
5. Amount of loss will be calculated by deducting any other Federal COVID-19 Relief Grant or forgivable loan received.

**Proposed Budget**

The total amount available for Non-profit Arts Small Business Grants is \$2,000,000.

**Program Goals**

- At least 40 Non-profit Arts Small Businesses will receive Grants
- 100% of grant funding to be disbursed to eligible entities by September 30, 2020
- 50% of entities receiving grants are able to resume activities related to creating art by December 30, 2020
- 50% of entities receiving grants to hire/rehire employees and/or artists by December 30, 2020



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Grant applications will be made online between 1:00 AM CDT on Friday, July 10, 2020 and will be accepting applications until 11:59 PM CDT on Thursday, July 30, 2020. ([sanantoniogomart.org](http://sanantoniogomart.org)) Grant applicants will need to create an account to apply. This will allow users to save progress on their applications should they need additional time to fill out the application or collect documentation. Users must make sure to keep a note of their user name and password.

**Questions from Applicants may be submitted to the [ArtsFunding@SanAntonio.gov](mailto:ArtsFunding@SanAntonio.gov) by email no later than 5:00 pm on Monday, July 27, 2020. We will respond to questions within 2 business days and Frequently Asked Questions with responses will be posted July 20, 2020 and Wednesday, July 28, 2020 by 5:00pm on the Grant page of the Department of Arts & Culture.**

**Application and Selection Process**

The primary outreach for the Grants for Non-Profit Arts Businesses will be done by the Department of Arts & Culture through social media, direct emails to artists on our email lists, newsletter and our non-profit arts business partners in collaboration with Economic Development Department (EDD) and its contractors. Maestro and Launch SA will offer additional support through physical and virtual hubs to connect entities to resources and provide referrals.

Department will establish a Review Panel comprised of members of the San Antonio Arts Commission and its committees to evaluate whether agencies qualify as an Arts non-profit small business and for Culturally Specific funding. Those agencies that have already been qualified by the City through previous programs and grants will be deemed qualified without further review.

**Grant Document Verification:**

The grant application will require verification of pertinent business documentation. Only applications with fully submitted documentation will be reviewed in consideration for grant award. Incomplete applications will be ineligible for grant award.

- Articles / Letters of Incorporation\*
- IRS 501(c)3 determination letter\*
- Proof of Business Address\*
- IRS 990 tax return (last 3 years must be in Guidestar )
- Demonstrate the costs of business interruption caused by required closures during the period beginning March 13, 2020 through December 30, 2020 due to COVID-19 pandemic in at least the amount of the grant with the following required supporting documents:
  - Board approved budgets for current fiscal year and amended budgeted amounts.
  - If Fiscal Year ends between April and December newly adopted budget for the upcoming fiscal year may also be provided and compared with current fiscal year original budget.
  - Minutes of the board meeting proving the budgets were adopted.

\* We will use what we have on file for currently funded agencies.

**Application Timeline**

Edited by Department of Arts & Culture, July 9, 2020



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- June 23 – June 30: Review implementation plan
- July 1 - 6: Finalize grant application in GoSmart
- July 6 - 9: Test grant application in GoSmart
- July 10 – 30: Application open period
- July 27: Deadline for questions pertaining to the application
- August 3- 12: Application review period and selection
- August 17 – 21: Award notification period
- August 24 – Sept 15: Funds disbursement

**Grant Follow-Up:**

All grant recipients will be required to complete a follow-up survey after the grant is awarded. Grant recipients must keep detailed records of reopening dates, receipts for expenditure of grant funds, and staff and payroll records. Grant recipients are required to comply with any and all grant requirements and maintain all records in accordance with City, State & Federal Regulations and Guidelines.

**Methodology**

- Department will market and promote this program under the SA CARES4 Art logo
- Department will use the SanAntonioGoSmart portal for the Non-Profit Arts Business grant application
- Department will build Grant application in SanAntonioGoSmart portal
- Department will review grant applications, related required financial documents and assess eligibility for grants to reimburse the costs of business interruption caused by required closures.
- Department will seek independent reviewers from the San Antonio Arts Commission and its Committees and will provide evaluator access to those designated reviewers in the SanAntonioGoSmart portal
- Review Panel will evaluate grant applications based on criteria established by the City of San Antonio
- Grantee must sign an Agreement to Use Funds contract and provide City with an Invoice
- Department will coordinate with Finance make payments to grantees
- Department will track and report distribution of grants
- Department will perform post-award follow-up survey to gather number of employees and/or artists rehired or any new jobs created as well as whether the agency returned to the business of providing arts and cultural activities