



FUNDRAISING POLICY

Adopted by Board of Trustees

June 25, 1986

Revised by Board of Trustees

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Revised by Board of Trustees

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Revised by Board of Trustees

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Revised by Executive Committee of the Board of Trustees

June 20, 2002

Revised by Board of Trustees

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Revised by Executive Committee of the Board of Trustees

February 23, 2011

A common goal of The Arts Council of Winston-Salem and Forsyth County (“The Arts Council”) and the numerous artists and arts organizations that receive funding support from The Arts Council (“Supported Organizations”) is to enable Supported Organizations to reach their full artistic potential and achieve their desired level of excellence. That common goal drives a mutually shared mission of creating an environment in which the arts flourish and enrich the quality of life in Forsyth and surrounding counties.

To achieve that goal, both The Arts Council and Supported Organizations need to engage in fundraising activities, but it is imperative that their respective fundraising activities do not compromise those of the other. The Arts Council believes that fundraising can be most efficiently and effectively conducted if The Arts Council and Supported Organizations appreciate fully the mutual interest and community benefits to be derived from both (1) coordinating and working collaboratively with respect to important aspects of their respective fundraising efforts and (2) continuing to educate the public as to the leadership provided by The Arts Council in supporting, cultivating, promoting and nurturing artists and artistic organizations.

Therefore, while the following Fundraising Policy (the “Policy”) recognizes that both The Arts Council and Supported Organizations must raise funds, the Policy has been established to encourage and facilitate coordination and cooperation between The Arts Council and Supported Organizations in several important regards for the purpose of maximizing their overall fundraising potential.

I. GENERAL PROVISIONS

- A. This Policy applies to The Arts Council and Supported Organizations as indicated below.
 - 1. A “Supported Organization” is any artist or arts organization that is currently a recipient of funds from The Arts Council through any of the following grant programs (or any successor grant program that is assigned a different name by The Arts Council): (a) Organizational Support Grant (“OSG”); (b) Arts in Education (“AIE”); (c) Regional Artist Project (“RAPG”); or (d) Innovative Project Grant (“IPG”).
 - 2. A Supported Organization shall include any individual or entity that is the “beneficial recipient” of grant funding from The Arts Council that was applied for through a so-called “fiscal applicant”, whether to comply with legal or other formal application requirements of The Arts Council, as fully and effectively as if the beneficial recipient had made the application directly to (and received the funding directly from) The Arts Council in such individual’s or entity’s own name.
 - 3. Certain Supported Organizations may also be “Funded Partners” of The Arts Council because of the nature of the funding received from The

Arts Council. Each Funded Partner will be specifically identified as such in connection with receiving funding. Because of the special and enhanced status of Funded Partners, they are subject to certain enhanced requirements or expectations under this Policy.

4. A Supported Organization that received funding from The Arts Council equal to the greater of (a) \$7,500 or (b) 10% of its operating budget (or if the funding grant relates to a special project of the Supported Organization, then 20% of its budget for that project) is referred to in this Policy as a “Major Support Recipient” and is also subject to certain enhanced requirements or expectations under this Policy.
 5. For convenient reference, an artist or arts organization that is currently seeking funds from The Arts Council — whether as a Funded Partner, Major Support Recipient or other Supported Organization — is sometimes referred to herein as a “Support Applicant”. However, this Policy only applies to Supported Organizations as defined above.
 6. By accepting funds from The Arts Council, each Supported Organization indicates its awareness, understanding and acceptance of the terms of this Policy, and each Funded Partner and Major Support Recipient further indicates its awareness, understanding and acceptance of the enhanced requirements or expectations applicable to it.
- B. By October 1 of the subject year (or by such other date that The Arts Council may specify in a particular situation), each Funded Partner and Major Support Recipient should provide to The Arts Council its fundraising plan(s) for the 12-month period specified by The Arts Council, which typically will be the period from July 1 of the current year to June 30 of the following year unless The Arts Council states otherwise. Such fundraising plan(s) should identify any specific fundraising activities (such as grant proposals, corporate and business solicitations, membership drives, capital campaigns, galas, and the like) planned or anticipated for such 12-month period. If the Supported Organization seeks an OSG, an updated version of the fundraising plan should be included in its business plan submitted with its OSG application.
- C. The Board of Trustees of The Arts Council (the “Board of Trustees”), acting through its Fundraising Policy Committee, is responsible for implementing and monitoring compliance with this Policy.
1. The Fundraising Policy Committee is a standing committee of the Board of Trustees, whose membership will change from time to time as determined by the Board of Trustees, but which membership will always include at least (a) four members of the Board of Trustees (two of whom shall be the persons then serving, respectively, as the Funded Partner

Representative and the Vice Chair for Agency Relations of the Board of Trustees), (b) one member of the staff of The Arts Council, and (c) one individual who is a board member of a Funded Partner.

2. On behalf of the Fundraising Policy Committee, the President of The Arts Council (or another executive officer of The Arts Council who has been specifically delegated such responsibility by the President, and who has been identified as such to Supported Organizations) shall have day-to-day responsibility and authority to administer this Policy and to take all necessary and prudent actions to facilitate compliance with this Policy by all parties.
- D. A Support Applicant's past compliance with this Policy, during any period for which it was a Supported Organization, will be considered by The Arts Council in awarding funds, and such organization's application for funding from The Arts Council may be denied (in whole or in part) on that basis alone.
- E. A Supported Organization is expected to comply with this Policy and will be subject to the following:
1. Failure by the Supported Organization to comply with this Policy can result in the assessment of appropriate penalties, which may include financial penalties as reflected below and/or a determination of ineligibility to be a Support Applicant in one or more future years.
 - a. Financial penalties may range between a reduction of 1% to 10% of The Arts Council's previously approved funding to the Supported Organization. The specific amount of the financial penalty will be determined by the Fundraising Policy Committee and will reflect both the nature of the non-compliance and the Supported Organization's history of compliance or noncompliance with this Policy.
 - b. If the Supported Organization is a recipient of an OSG, the penalty may be assessed against the Supported Organization's total grant award and may be deducted from future payments under the grant.
 2. A Supported Organization may appeal a penalty assessment decision by submitting a written appeal to The Arts Council, addressed to the Chair of the Fundraising Policy Committee, within fifteen (15) days of its receipt of notice of the penalty assessment decision. The Fundraising Policy Committee will review the appeal and present a summary of its review (and a recommendation) to the Board of Trustees for its final decision on the matter.

- F. Any questions regarding this Policy or its interpretation, or requests for approval of fundraising activities covered by this Policy, should be directed to the President of The Arts Council (or the other executive officer of The Arts Council who may have been delegated the President's responsibility for administering this Policy).

II. REQUIREMENTS OR EXPECTATIONS APPLICABLE TO THE CAMPAIGN PERIOD.

- A. The Arts Council raises funds primarily through an annual campaign. While different phases of the annual campaign take place throughout the calendar year, the public focus phase of the campaign is between February 1 and March 31 (the "Campaign Period").
- B. Funded Partners and Major Support Recipients are required to support and assist The Arts Council in its annual campaign. The Arts Council understands and expects that the level of assistance may vary among such organizations because of their respective sizes and artistic and administrative resources. Accordingly, each of the following requirements or expectations are applicable to particular organizations to the extent reasonable and practicable in light of their respective financial, artistic and administrative needs and limitations.
 - 1. It is expected that each Funded Partner or Major Support Recipient will do the following:
 - a. Contribute financially to The Arts Council annual campaign, either directly or indirectly through contributions made by members of its board of directors or staff, provided that the latter alternative is not intended to impose any requirement by The Arts Council on the staff of an organization to make a contribution. Such contributions are expected to be significant in amount and not merely token contributions. (It is expected that, where a Major Support Recipient does not have a board of directors and/or staff and is not able to make a significant financial contribution to the annual campaign, it will contribute significantly by donating its time, expertise or artistic talents to assist The Arts Council with the annual campaign.)
 - b. Provide names of potential "Renaissance" level donors within its organization (or donors at such other level of giving as may be expressly communicated and requested by The Arts Council).
 - c. Provide names of potential volunteers within its organization who may be willing to act as liaisons with The Arts Council to

solicit boards, affiliated groups and corporations for the annual campaign.

- d. Provide artistic event coupons and/or other artistic incentives for workplace giving campaigns (for example, discounts, “two-for-one” offers, free passes, works of art for raffles, etc.).
2. Funded Partners and Major Support Recipients are encouraged to market their organizations and/or their artistic excellence during the Campaign Period, so that the general public is educated regarding the role of the arts in the community and the leadership and support provided by The Arts Council.
 3. Funded Partners and Major Support Recipients may also assist by:
 - a. Conducting a fundraising campaign among their respective workforces, in support of The Arts Council’s annual campaign;
 - b. Providing personnel assistance to The Arts Council;
 - c. Organizing or participating in fundraising events in support of The Arts Council’s annual campaign; and
 - d. Providing works of art and/or artists for The Arts Council’s annual campaign kick-off activities and solicitation meetings.
 4. The assistance provided to The Arts Council in its annual campaign, in light of such organization’s realistic ability to provide assistance, will be considered by The Arts Council in awarding funds.
- C. During the Campaign Period, Funded Partners and Major Support Recipients should not:
1. Conduct any fundraising activities specifically targeted at individual residents of Forsyth County, including but not limited to events (other than normal course artistic performances or displays by the organization or its members), campaigns, or new membership drives, unless such activities are (a) conducted for the primary purpose of raising funds for The Arts Council or (b) approved in advance by The Arts Council.
 2. Solicit (a) donations from corporations or other businesses in Forsyth County without prior approval from The Arts Council, or (b) sponsorships of specific artistic events from corporations or other businesses in Forsyth County unless advance notice is provided to The Arts Council.

3. Submit grant proposals to a foundation associated with a corporation (or any foundation whose purpose is to be a conduit for corporate requests) that is normally solicited by The Arts Council, unless the submission of such proposal is approved in advance by The Arts Council.

III. REQUIREMENTS OR EXPECTATIONS APPLICABLE YEAR-ROUND.

A. Marketing Matters Applicable Year-Round.

1. Each Supported Organization should acknowledge the support provided to it by The Arts Council in all materials that are distributed to (or otherwise intended to be directly accessible by) the public, including, without limitation, printed materials, websites and other electronic media. Furthermore, if the Supported Organization verbally acknowledges sponsors or other supporters at performances, opening receptions, exhibitions, etc., any such verbal acknowledgement shall include an appropriate reference to the support provided by The Arts Council.
2. The manner in which the Supported Organization acknowledges the support provided by The Arts Council — whether the acknowledgement is in printed materials or by electronic media, or whether it is made verbally — shall be consistent with the nature and manner in which it acknowledges support by other sponsors or other supporters at the same giving level.
3. The Arts Council, through its Marketing Committee (or its other designee), will provide Supported Organizations with copies of The Arts Council’s Communications Guidelines for Marketing Materials (containing, among other things, the logo, preferred credit lines and other Arts Council marketing information) for purposes of making acknowledgements as contemplated above, and Supported Organizations shall use those items when and as required above, unless approval for a deviation has been obtained from The Arts Council.
4. Each Funded Partner and Major Support Recipient shall provide copies of its marketing materials to the staff of The Arts Council on a regular basis, and as otherwise reasonably requested by The Arts Council.

B. Special Fundraising Matters Applicable Year-Round.

Unless otherwise expressly indicated, the following requirements or expectations are applicable only to Funded Partners and Major Support Recipients. Moreover, if a Funded Partner or Major Support Recipient is a large organization with multiple operating divisions or units within its

organizational structure, and a specific division or unit is the recipient and user of funding from The Arts Council with respect to its particular activities or special project, then only that division or unit (and not the entire organization) is subject to the following requirements or expectation. For convenience purposes in this Part III.B, such organizations (or the particular operating division or unit thereof, as the case may be) are referred to as “Special Coverage Organizations”.

1. Capital Campaigns: Capital campaigns should not be conducted without the prior approval of The Arts Council and should be:
 - a. Scheduled through and otherwise coordinated with The Arts Council’s Campaign Committee (or its successor committee or designee, which will be identified by The Arts Council to all Special Coverage Organizations);
 - b. Limited to facilities development and/or the acquisition of capital equipment;
 - c. Scheduled to commence (whether as a “quiet phase” or a public launch or announcement) at a time other than during the Campaign Period; and
 - d. Preceded by a feasibility study of the possible source(s) of funds and the potential impact on The Arts Council’s annual campaign.
2. Employee Workplace Campaigns: Employee workplace fundraising campaigns for the benefit of any third party organization are not permitted. Special Coverage Organizations may sell season tickets/subscriptions and/or memberships to employees, but not as part of an organized in-house fundraising campaign.
3. Foundation Grants: When a Special Coverage Organization submits a grant proposal to a foundation associated with a corporation (or any foundation whose purpose is to be a conduit for corporate requests), it should provide a summary of the grant proposal to The Arts Council, identifying the foundation solicited and the amount and purpose of the grant requested. This requirement is in addition to, and does not alter, the prohibition of such solicitations during the Campaign Period under Part II.C of this Policy.
4. Public Funding: Special Coverage Organizations may seek public funding, including from the Winston-Salem City Council, Forsyth County Commission, North Carolina General Assembly and North Carolina Arts Council. However, a copy of any such funding request

should be provided to The Arts Council at least one month in advance, except for a request to the North Carolina Arts Council, which request may be provided to The Arts Council at the time it is made to the North Carolina Arts Council.

5. Bequests, Deferred Giving, Endowments: Campaigns for bequests should be limited to the Special Coverage Organization's current or former board and guild members and its existing major financial supporters, unless advance notice is provided to The Arts Council. (Whether a financial supporter of the Special Coverage Organization is an "existing major" supporter will be determined by The Arts Council, in consultation with the particular Special Coverage Organization, in light of all relevant factors, such as the size and nature of the organization, its operating and/or capital budgets, its longevity, and the like.) Solicitations for an endowment fund should not be made without providing advance notice thereof to The Arts Council.

The Arts Council of Winston-Salem and Forsyth County - Summary of Fundraising Policy

*This chart is provided as a guide and summary of the detailed information set forth in The Arts Council's Fundraising Policy.
The brief descriptions in the boxes below include section references to the policy where more information is provided.*

I. General Provisions

A. The policy applies to **The Arts Council (AC)** and **Supported Organizations (SO)** (I.A.)

1. **SO** = any individual or organization that receives funds from The AC's Grant Programs (I.A.1)
2. **SO** shall include groups that use fiscal agents. (I.A.2)
3. **SO** may also be **Funded Partners (FP)**. FP are groups that receive Organizational Support Grants. (I.A.3)
4. **Major Support Recipients (MSR)** = A **SO** that receives = or >
 - (a) \$7,500
 - (b) 10% of its operating budget
 - (c) 20% of a specific project's budget (I.A.4)
5. **Support Applicant (SA)** = A **SO** currently seeking/applying for funds (I.A.5)

B. **FP & MSR** must turn in an **annual fundraising plan** to The AC, by October 1.

Plan should cover the period of July 1 of the current year to June 30 of the following year.

Plan should include all forms of raising funds (grants, corporate solicitations, membership drives, capital cam-

C. The AC Board of Trustees via its **Fundraising Policy Committee (FPC)** is responsible for implementing and monitoring compliance with this policy. (I.C)

1. **FPC** will include
 - (a.) 4 members of The AC BOT
 - i. FP Rep.
 - ii. VC of Agency Relations
 - iii. AC BOT member
 - iv. AC BOT member
 - (b.) 1 member of The AC Staff
 - (c.) Board Member of a FP (I.C.1)
2. **FPC** grants The AC President (or other designated staff of the AC) day to day responsibility and authority to administer this policy (I.C.2)

D. A **SA's** past compliance with this policy will be considered by The AC in awarding future funds. (I.D)

E. **Noncompliance Risks.** A **SO** is expected to comply with the policy and subject to the following. (I.E)

1. Failure to comply with policy may result in financial penalties and/or ineligible to apply for future grants in one or more future years. (I.E.1)
 - a. Financial penalties may range up to 10% of current funding (I.E.1.a)
 - b. Financial penalty may be assessed against the total grant and deducted from future payments. (I.E.1.b)
2. **Appeal.** A **SO** may appeal within 15 days to the FPC. FPC will review and report to BOT. (I.E.2.)

F. **Questions** concerning the policy should be addressed to The AC President or other designated staff responsible for this policy. (I.F)

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II. Requirements or Expectations Applicable to the Campaign Period

A. The AC Public Campaign Period is **February 1—March 31**. (II.A.)

B. **FP** and **MSR** are **required** to support & assist The AC in its Annual Campaign. (II.B.)

1. **FP & MSR will**

- a. Contribute financially to the annual campaign (II.B.1.a)
- b. Provide names of potential "Renaissance" level donors (II.B.1.b)
- c. Provide names of volunteers willing to assist the annual campaign (II.B.1.c)
- d. Provide artistic event coupons/incentives for workplace giving campaigns (II.B.1.d)

2. **FP & MSR** are **encouraged** to market their organization so that the public is educated on role/support provided by The AC. (II.B.2)

3. **FP & MSR may**

- a. Conduct its own workforce campaign for The AC Annual Campaign (II.B.3.a)
- b. Provide personnel assistance to The AC (II.B.3.b)
- c. Organize or participate in fundraising events for The AC Annual Campaign (II.B.3.c)
- d. Providing art/artists for The AC's Annual Campaign kick-off activities and solicitation meetings (II.B.3.d)

C. **FP** and **MSR**, during The AC Annual Campaign, **should not** (II. C.)

1. **Conduct fundraising activities** targeted at individual residents of Forsyth Co. unless
 - a) conducted for the primary purpose of raising funds for The AC or
 - b) approved in advance by The AC. (II.C.1)
2. a) **Solicit donations** from businesses in Forsyth Co. without prior approval from The AC (II.C.2)
b) **Solicit sponsorships** from businesses in Forsyth Co. unless notification is given to The AC (II.C.2)
3. **Submit grant proposals** to a foundation associated with a corporation without prior approval from The AC (II.C.3)

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III. Requirements or Expectations Applicable Year Round

A. Marketing Matters Applicable Year-Round (III.A.)

1. Each **SO** should acknowledge the support provided by The AC in **ALL printed, electronic materials, and verbal remarks** (ie. performances). (III.A.1)
2. Each SO should acknowledge The AC support **according to level of sponsorship** (III.A.2)
3. The AC will provide **SO** with The **AC Communication Guidelines, logos, and credit lines**, which the **SO shall** use unless prior approval otherwise is obtained from The AC. (III.A.3)
4. **FP** and **MSR** shall provide **copies of marketing materials** to AC Staff on a regular basis. (III.A.4)

B. Special Fundraising Matters Applicable Year Round: These apply only to “**Special Coverage Organizations (SCO)**”, which means each FP & MSR. *However, if the FP or MSR is a large organization with multiple operating divisions, and a specific division is the recipient and user of funding, then only that division is considered to be the SCO.* (III.B.)

1. **Capital Campaigns should not** be conducted without prior approval of The AC. (III.B.1)
2. **Employee Workplace Campaigns.** SCO **may not engage** in any workplace campaigns. SCO **may** sell tickets/subscriptions and/or memberships to employees. (III.B.2)
3. **Foundation Grants.** SCO **must provide** The AC with a **summary** of grant proposals submitted to foundations associated with a corporation. (III.B.3)
4. **Public Funding.** SCO **may seek** public funding, including from the Winston-Salem City Council, Forsyth County Commission, the NC General Assembly and the NC Arts Council. A copy of any such funding request should be submitted to The AC. (III.B.4)
5. **Bequests, Deferred Giving, Endowments.** Campaigns for **bequests should be limited** to the SCO's current or former board and guild members and its existing major financial supporters, unless advance notice is provided. (III.B.5)

Solicitations for endowments should not be made without providing advance notice thereof to The AC. (III.B. 5)