

To ensure arts and culture are incorporated into the civic infrastructure of the City, the City of Plano offers both arts and events grants to non-profit organizations.

# Grant Manual

FY 2020-21

Major Arts & Events Grants



Cultural Affairs Commission | City of Plano, Texas

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## OVERVIEW

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This manual provides year-round information regarding City of Plano-sponsored arts & events grants. This is an informational manual only and not the application.

This manual will be revised and updated yearly to ensure policy and procedure changes are always current and will be posted to the **Cultural Affairs Commission** webpage along with training information, deadlines, and application links.

Any questions regarding this manual and information therein should be directed to the appropriate City of Plano staff:

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## SECTION I: INTRODUCTION

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A Cultural Affairs Commission was established by the City of Plano, Texas in 1982 to ensure arts and culture are incorporated into the civic infrastructure of the City. The purpose of the Commission is to make annual arts and events funding recommendations to Council during the regular budget process.

Arts and events funding recommendations made by the Commission are funded through the City's Convention & Tourism Fund, collected hotel occupancy tax receipts. Financial support of arts and events for use of tax receipts is outlined in [Texas Tax Code Chapter 351](#).

## SECTION II: CULTURAL AFFAIRS COMMISSION

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### Mission

To support arts and culture within the City of Plano by encouraging innovation in diverse programming, education, and community outreach.

### Goals

The following goals have been set forth by the Commission in support of their overarching Mission:

- Encourage recognition of Plano as an arts destination
- Encourage awareness of the arts in underserved communities
- Encourage art initiatives and events that enrich Plano's multicultural communities
- Encourage community outreach and education and participation in the arts

### Responsibilities

Responsibilities of the Commission have been set forth by the City and/or a Sub-Committee of the Commission charged with the task and voted on by the Commission. These responsibilities are:

#### *Literature and Application Review*

- Review Commission literature, grant application and/or Commission approval process through a sub-committee which includes the City Staff Liaison - annually
- Review and score all arts and events grant applications - annually
- Commission Chair or Vice Chair: present Commission funding recommendations, goals, and accomplishments to City Council during an August Budget Work Session - annually

#### *Attendance at Commission Meetings*

A Commission calendar is adopted by the Commission in September for the upcoming fiscal year, which begins October 1; Commissioners should make every effort to attend every meeting. Actions required by Commissioners in regard to meetings include but are not limited to:

- Reply to meeting RSVP requests; in the event of no reply, it will be assumed that the Commissioner will not attend
- Report absences and reasons to the Commission Staff Liaison when requested
- Maintain a 70% attendance rate

## Attendance at Performances/Events

Commissioners are assigned as individual liaisons to various grant recipient organizations. Assignments are rotated as needed in order to provide unique opportunities for exposure and review of grant recipient groups. Where a performance/event requires admission, tickets will be provided by the organization for Commissioners. Each Commissioner is eligible for up to two (2) tickets per performance/event at no charge. Additional tickets may be purchased from the organization at the published rate. Additional attendance is encouraged and welcomed, and should be coordinated directly with the grant recipient organization.

- Review the artistic and/or cultural merit of grant recipient performances, exhibits, and events periodically
  - Reach out to assigned groups each year when new liaison assignments are made
  - Request tickets directly from groups
  - Maintain contact with assigned groups throughout the year
  - Attend at least one performance/event produced by assigned groups
- Report on attendance and evaluation of performances, exhibits, and events
  - Share reports with the entire Commission at Commission meetings
  - Record attendance and review of performances/events on a form provided by the City of Plano and return to the Commission Staff Liaison at the meeting in which it is reported

## SECTION III: AVAILABLE GRANTS

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The City of Plano sponsors four (4) types of Arts & Events Grants that fall under the Cultural Affairs Commission purview:

- Small Arts Grants of \$2,500 or less to non-profit organizations and their projects; no more than four (4) approved in a single budget year
- Major Arts Grants of more than \$2,500 to non-profit organizations and their projects
- Special Events Grants - events and celebrations located anywhere within the City
- Urban/Town Center Events Grants - events and celebrations located in a pedestrian-oriented environment or densely populated geographic area within the City

For information on the Small Arts Grant, contact the Cultural Affairs Commission Staff Liaison directly. The following manual contains information on the Major Arts Grants and all Events Grants only.

## SECTION IV: ELIGIBILITY & RESTRICTIONS

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### Eligibility

All organizations submitting an application to Major Arts and Events Grants must meet all of following criteria:

- Federally tax-exempt under section 501(c)(3) of the Internal Revenue Code
- Based in Plano: for the purpose of these grant applications, the applicant organization must meet two (2) of the following three (3) criteria:

1. Maintain a principal office, primary facility, or a location where practice, rehearsals, performances or exhibitions are regularly conducted within the City of Plano
  2. Perform or operate at least two-thirds of its events, programs, or performances within the City of Plano
  3. Promote the City of Plano (e.g. the inclusion of Plano in the organization name, stated Plano-connected purpose in the organization's bylaws or articles of incorporation, or through other Plano-focused initiatives)
- Have an active Board of Directors or planning committee with either (a). three (3) members who reside or work in Plano, or (b). one-third of its members reside or work in Plano
  - Produce events and/or programming within the City of Plano
  - Produce events and/or programming open to the community at-large and open to the public
  - Have at least a 24-month history of continuous, stable programming or a clear and well-thought-out event program prior to the grant application due date (The City of Plano funds planned events; event production contingent on City funding will not be considered)
  - Have programming, administrative practices, and board membership which do not discriminate on the basis of race, color, national origin, sex or disability
  - Have fulfilled all prior contract and reporting obligations to grantors, including the City of Plano successfully if previously funded

### Restrictions

All organizations submitting an application to any of the grants should acknowledge and must adhere to the following criteria:

- Organizations applying for City of Plano Major Arts Grants are not eligible to apply for City of Plano Small Arts Grants in the same grant cycle
- All in-kind goods/services must be recognized in accordance with Generally Accepted Accounting Principles (GAAP accepted within the United States)
- Donated services are recognized ONLY if the services either: (a). create or enhance a non-financial asset or (b). require specialized skills, are provided by entities or persons possessing those skills and would need to be purchased if they were not donated
- Financial credit for volunteer hours should not be included in the applicant's expenses but may be reported as a reflection of support for the Organization. Volunteer hours spent by Board members on an organization's general affairs are NOT an in-kind donation

In addition, the City of Plano will not fund the following:

- More than 25% of the organization's most recently completed fiscal year's expenditures, excluding fundraising activities
- Grants to individuals
- Reduction of deficits from or expenditures related to activities of previous fiscal years
- Mortgage interest and depreciation on real property or capital improvements
- Activities in which academic credit is given
- Fines, penalties or costs of litigation
- Underwriting or subscriptions, investments, stocks, bonds or any financial obligation
- Scholarships and fellowships for employees/volunteers; however, scholarships for programming are acceptable
- Social functions, parties, receptions, openings, fundraising benefits, refreshments or beverages
- Run/walk/bike elements of an event

- Personnel employed full-time or part-time by an Event, specifically for the purpose of managing the Event (Programs funded through the Small and Major Arts grants may include Personnel expenses)

## SECTION V: APPLICATION CONTENT

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All applicants are required to produce 1) an online application in ZoomGrants and 2) a verbal and visual presentation to the Commission. New applicants are required to attend training sessions offered by the Commission Staff Liaison and posted on the Commission webpage.

### Part I: Online Application Requirements

#### *Pre-Application*

All applicants must acknowledge reading and understanding this Grant Manual prior to entering data in the application. The grant manual includes reporting and insurance requirements if funds are awarded.

#### *General Information*

Includes contact information on the organization, its director, program administrator, finance officer, and grant contact.

#### *Scored Application Questions*

All scored application question have a response limit of 2,000 characters or approximately 300 words. Narrative, enumerated and/or bulleted answers are acceptable. As the application system lacks the ability to format, asterisks or other punctuation should be used to indicate bullets.

1. What are your organization's **Mission and Goals** and how do your organization activities support them?
2. What do you consider to have been your greatest **success** in the last fiscal year?
3. What do you consider to have been your greatest need for **improvement**?
4. What is your organization's strategy for **diversification** of your board and volunteer base and/or attracting a **diverse** audience or participants?
5. What is your organization's strategy in maintaining the **fiscal health** of your organization in relation to section XII (fiscal health recommendations for non-profits) of this manual?
6. What is your organization's strategy for bringing in **revenue**? (Please be specific.) This may include fundraising and sponsorship or the sale of tickets and marketing space, etc.
7. How do you publicize or market your activities or event? (Please be specific.) How do you evaluate these efforts and what has been done to increase the effectiveness of your **marketing** efforts?
8. How does your organization engage **under-served** communities?
9. What **recognition** and/or **awards** has your organization received from peers, media, and/or other sources?
10. What **unique opportunities** does your organization provide to the public not otherwise available in the North Texas community? This may include guest performers, workshops, or recognition of excellence, etc.
11. How does your organization offer a **unique service or experience** that enriches or promotes the City and Plano residents?

12. What is your organization's strategy to provide an **excellent, innovative, and creative** experience to your audience or attendees? (This may include an event, exhibit or performance, etc.)
13. What are your organization's **outreach efforts to promote and educate** the community and region on the organization's art form or cultural experience?
14. How does your organization **collaborate** with other local and national groups for performance and marketing opportunities?
15. How does your organization **measure** the effectiveness and success of the experience (event, exhibit, performance, etc.) produced by your organization?
16. Does your organization use Plano **venues** for your programs, exhibits and gala/fundraisers? Which venues are used and why? If venues outside the City of Plano are utilized, which venues are used and why?
17. What is your organization doing to bring visitors to Plano to stay in local **hotels** and otherwise support the **hospitality** industry? (Please be Specific.) This may include endeavors such as partnerships with restaurants and hotels, multi-day events/workshops/performances, etc.
18. What is your organization doing that directly impacts **tourism** in Plano?
19. What is your organization's strategy to track and increase **attendance** of Plano and non-Plano residents?
20. Without this grant from the City of Plano, what impact would the loss of revenue have on your organization and how would your organization compensate?

### *Financials and Administration*

Includes the following breakdown of information:

- Proposed Grant Budget
- Organization Budget and Funding Sources
- Budget Narrative
- Board of Directors
- Diversity breakdown of board and key staff members
- Projected estimate of volunteers and volunteer hours

### *Supporting Documentation*

Required information must be provided each year of application in order to have current information on file. These documents should be uploaded individually in the appropriate area of the online application:

- List of Board of Directors if board consists of over ten (10) members
- Schedule of Board of Directors meetings for the grant year during which application pertains; Board of Directors meetings must occur at least once per quarter
- Schedule of all organization event(s) and/or program(s)
- IRS Letter of Determination certifying federal tax-exempt status under section 501(c)(3) of the Internal Revenue Service Code
- Articles of Incorporation, if applicable, must be provided if not provided in previous years
- Constitution and/or By-Laws
- Current independent audit of financial records if your organization was awarded a grant in the previous fiscal year that exceeded \$75,000 (exclusive of in-kind) (If no audit was completed, please explain)

- Form 990 (Including Balance Sheet & Statement of Income and Expenses) as filed with the US Internal Revenue Service for the two (2) most recently ended fiscal years
- Profit/Loss statement for the most recently ended fiscal year
- Resumes of principal staff and artists or relevant job descriptions
- Current Certificate of Insurance (COI) for grants over \$1,000 (See Appendix for specific insurance requirements and sample document)
- Employee Dishonesty Bond for grants over \$75,000

The balance sheet and income statement must be prepared in accordance with accounting principles generally accepted in the United States, or another recognized basis of accounting: your financial statements should clearly indicate the accounting basis used in their preparation.

### *Optional Documentation*

Additional material that may further explain the activities of the applicant organization may include:

- Long Range Plan (3-5 years)
- Visual programs, publicity, articles, reviews, etc.
- Letters of support from patrons or other organizations in the community

### Part II: Presentation Requirement

Presentations are scheduled for Events Grants applicants during a special session on the second Thursday in May. Presentations for Small Arts & Major Arts Grants applicants during a special session the first Saturday in June. On these dates, a 20- minute review process will take place for each applicant. The review process will consist of a ten (10)-minute presentation and a ten (10)-minute question and answer session for each applicant.

Logistics and suggested presentation content will be conveyed via email well in advance of the presentation dates as noted on the Cultural Affairs Commission Calendar.

## **SECTION VI: APPLICATION TRAINING & SUBMISSION**

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### Application Training

Grant application training will be held in late February. Dates will be posted to the **Cultural Affairs Commission** website in January each year. [The training date for the 2020-21 fiscal year applicants will be on February 25, 2020. Four \(4\) sessions will be available.](#)

### Application Submission

Major Arts Grant, Special Events Grant, and Urban/Town Center Grant applications are accepted through the online grant application management system at the **\*ZoomGrants\*** website. Other formats will not be accepted.

### Application Deadline

[The FY 2020-21 Arts & Events Grants applications will open for submission at noon on February 7, 2020 and will be due by noon on April 1, 2020.](#)

All applications are due by the deadline posted. Incomplete applications and/or applications posted after deadline will **not** be considered for the current grant year or held for the next fiscal year.

## **SECTION VII: APPLICATION REVIEW & SCORING**

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Online applications will be reviewed by Commissioners once the submission deadline has passed. Answers to all 20 narrative questions provided by the applicants will be scored on a cumulative scale of 0 to 100, and each question worth up to five (5) points.

### Scoring Definitions

A value of zero (0) through five (5) will be applied to each applicant question by each qualifying Commissioner. Fractions (i.e. 4.5, 3.25, etc.) are permitted. Scoring definitions are as follows:

- (5) – Outstanding/excellent job of meeting criteria
- (4) – Very good job of meeting criteria
- (3) – Meets minimum expectations
- (2) – Needs improvement to meet criteria
- (1) – Some effort at addressing criteria, but a significant shortfall from expectations
- (0) – Does not meet criteria

A minimum composite score of 70 is required for any funding consideration. A score of less than 70 will not be considered for funding.

## **SECTION VIII: FUNDING RECOMMENDATIONS**

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The Cultural Affairs Commission Staff Liaison will use a formula to calculate final eligibility for the grant-funding amount based on Commissioner scores using the following formula(s):

- Major Arts Grants – (Lesser of the applicant’s request or eligible expenses x raw score for Commissioners as a %) x % of available arts budget
- Special Events & Urban/Town Centre Events Grants – (Event budget x max % eligible) x total of raw scores from Commissioners

Final eligibility amounts are reduced proportionally to meet any funding cap set by City Council. The Cultural Affairs Commission will present its recommendations for grants funding to the Plano City Council for final review during an August budget work session for the 2020-21 fiscal year. The Plano City Council will adopt that fiscal year’s budget in September of 2020. This includes the appropriation for all grant funding.

## **SECTION IX: CONTRACTING & FUND DISBURSMENT**

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### Award Notification

Announcement of funding decisions will be made no later than October 1 of the funding year. A letter will be mailed to the grant contact listed in the application and should be retained by the organization for reference.

## Contracting

Contracts will be prepared by the Cultural Arts Grants Administrator after October 1 of the funding year. Primary organization contacts listed in the application will be emailed final contracts in pdf format with a deadline to return in hard copy or via email within a ten (10)-day period. Contracts should be reviewed to ensure amounts and information match award letters, printed single or double-sided, signed, notarized, and returned to the Cultural Arts Grants Administrator along with a revised grant budget (scaled to coincide with the original application, but not entirely different from application), and proof of insurance. Also due upon contract submission are any documentation requiring update, such as Employee Dishonesty Bond, and external audit where applicable.

Upon receipt, the Cultural Arts Grants Administrator then sends the organization's proof of insurance to the City's Risk Department for approval and then on to the City's Legal Department and City Manager for signature and notarization.

## Award Disbursement

Funds will be made available after the contract has been executed by the City Manager's office and returned to the Cultural Arts Grants Administrator. No funds will be available before November 1 of the funding year. Specific grant disbursement deadlines are:

Major Arts Grants awards will be disbursed as follows:

An amount not to exceed 50% of the funds by November 30

An amount not to exceed 25% of the funds by February 28

An amount not to exceed 25% of the funds by July 15

Event Grants cash awards will be dispersed no sooner than 60 days prior to the event. Events Grant in-kind services awards will be held by the City and applied to services rendered. Any unused amount will be retained by the City; any expense over the award amount will be billed to the organization.

## **SECTION X: REQUIRED REPORTING**

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### Quarterly Reporting

Organizations awarded Major Arts Grants must provide the Cultural Arts Grants Administrator with detailed quarterly reports per the required format. Each quarterly report is due no later than 30 days after the end of the quarter. Reporting quarters and deadlines are as follows:

1<sup>st</sup> Quarter (October 1 – December 31) report deadline, January 31

2<sup>nd</sup> Quarter (January 1 – March 31) report deadline, April 30

3<sup>rd</sup> Quarter (April 1 – June 30) report deadline, July 31

4<sup>th</sup> Quarter (July 1 – September 30), final report deadline, October 31

### One-time Reporting

Organizations awarded Events Grants must provide the Cultural Arts Grants Administrator with detailed final report per the required format within 60 days of the event closure. Event reports should include both usage of City funding and copies of receipts.

## Requirements

Reports should sufficiently describe the expenditure of funds provided by the City, as well as a written description of program/event goals achieved that quarter and/or progress of same for the period covered by each report. The quarterly report should include the name and physical location of each performance/venue and a list of event attendance by zip.

## Spending Categories

Per the executed contract, “at least 90% of expenses budgeted in each line item of the Application and funded by City monies must be spent within that line item, [and]...requests to reallocate funds from one budget category to another must first be approved by the Contractor’s Board, as evidenced by the official minutes of the Board authorizing the change and submitted to the Contract Administrator.”

## Expenditures

Should be described sufficiently, appropriate, and adhere to City ordinance and restricted use outlined in above restrictions

## Checks

Report should contain payee detail: EFT as a description is not sufficient, NAME of the organization or person receiving money is required; where employee or contractor time is split between programs, an hourly wage must be noted, as well as the total amount paid across all programs and amount and hours billed to grant (enumeration and percentage).

## Verification

Reports should be signed by Board Members listed in initial application. In the event a board member has resigned or rolled off, a new Board of Directors list should be provided. In addition, neither verification nor notarization can be made by the document preparer.

## Other Contract & General Requirements

### *Logo*

Per Exhibit C contract requirements, the Contractor must officially recognize its relationship with the City of Plano by incorporating an acknowledgment, that is in accordance with City of Plano guidelines, in all of its publications and electronic media such as “\_\_\_\_\_ is funded in part by the City of Plano” and by including a link on their website to [www.planocvb.com](http://www.planocvb.com), the Plano Convention and Visitors Bureau site.

The Cultural Arts Grants Administrator will review all print and electronic documents for this information.

### *Meeting Attendance*

A representative of each organization receiving grant monies must attend a minimum of one (1) regular Cultural Affairs Commission meeting per quarter. Meeting dates and times are posted on [www.plano.gov](http://www.plano.gov) and are typically the first Thursday of the month at Municipal Center.

## *Dishonesty Bond*

Per Contract Exhibit F, “at its own expense, a Contractor receiving funds in the amount of \$75,000 or more agrees to maintain during the term of this Agreement, or any extension thereof, an Employee Dishonesty Bond (EDB) in an amount equal to the total dollar amount awarded to Contractor by the City as defined in the Funding Agreement.

## *Insurance*

Applicant, if awarded a grant, must provide a Certificate of Liability Insurance pursuant to SB 425 and approved by the Texas Department of Insurance listing the City of Plano as certificate holder with an appropriate endorsement naming the City of Plano as an additional insured. (See Appendix for specific requirements and sample COI.)

## **SECTION XI: AUDIT**

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Quarterly reports, final reports, and contracts are reviewed by the City for accuracy, appropriateness of expenditures, and appropriate submission of documentation. They are reconciled against initial application, revised budget, and contract. Check copies and/or other financials, may be periodically requested by the City of Plano at any time during the contract period.

## **SECTION XII: FISCAL HEALTH RECOMMENDATIONS FOR NON-PROFITS**

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Meaningful review by the Board of Directors of the financial activities of their organization is an important action in establishing a system of internal controls for fiscal health of the organization. Below are warning signs of fiscal insecurity, suggestions for creating a fiscally secure environment, and solid action items for creating fiscal health.

### Warning Signs of fiscal instability

Operating losses	Negative bank balances
Missing receipts or support for bills	Altered check images
Cash withdrawn from deposits	Deposit corrections
Excessive bank charges	Bridge loans

### Suggestions for Creating a Fiscally Secure Environment

- Reduce the number of bank accounts. Most organizations need only an operating account and a payroll account. Using **Positive Pay** for all accounts and requiring two signatures on checks over \$500 is also recommended
- Limit and tightly controlled check stock. Only one number sequence should be used for an account. Have standard security features that combat counterfeiting and alteration on all check stock. Have two people witness the destruction all old check stock that does not meet these criteria
- Have bank statements sent directly to the Board of Directors or an outside auditor. If the statements are sent to a PO Box for the Board of Directors, do not allow the Executive Director to have access to this box. The Executive Director should be given copies of the bank statements
- External auditors should report directly (not via the ED) to the Board of Directors, and

supporting documentation for expenditures and receipt of funds should be well documented and available for inspection by auditors and grantee organizations

- Create procedures for mail opening and check/cash receipt and deposit, as well as pledge billing
- Perform background checks on all potential employees, and Fiduciary Bond for employees
- Create a professional work environment by creating policies on nepotism and receipt of contributions by family and friends. Do not allow any employee to have their personal bills and packages sent to the organization, and document notifications to employees regarding ownership of email and other property by the organization

### Action Items for Creating Fiscal Health

Board members should question anything they do not immediately understand. The Board of Directors or their appointee should be particularly concerned with any false invoices uncovered or invoices whose payment amounts do not match the payment. Following is a list of action items that will assist in creating a fiscally healthy organization:

- Have bank statements promptly reconciled by an outside party. This party is responsible for reporting any checks outstanding more than 30 days the Board of Directors and for alerting the Board of Directors to any pattern they do not believe is normal. Outstanding checks should be "aged" like Accounts Receivable. Items outstanding longer than 60 days should be of particular concern and should be investigated by an outside party
- Periodically review all payments to their organization's Executive Director
- Review of all of checks and their support above a preset dollar amount by the Board of Directors or an external auditor that reports directly to the Board
- After a regular pattern of expenditure is established, review financial statements for deviations in this pattern (budget versus actual). Any significant deviations should be examined
- Occasionally verify invoices to vendors that are frequently used and/or vendors that are paid large dollar amounts. A small but random sample of the vendor's invoices will usually suffice. Three questions should be asked
- Did each expenditure benefit their organization?
- Did the vendor send all of the bills in the sample?
- Did the check amounts match all of the bills in the sample?
- Periodically have payments for a selected vendor reviewed by an outside party. This review should include the matching of checks written to a vendor to the bills from this vendor. Reviewers should be alert to the possibility of double payments or diverted payments. Reviewers should also try to establish whether the goods or services were delivered (receiving documents, physical inspection of major repairs)
- Review deposits for cash withdrawals and corrections
- Issue 1099s. Refer responses to Board of Directors
- Periodically review the status of all physical (cars, boats, equipment, etc.) contributions received by their organization. Items should be in use, in inventory, sold (and cash deposited) or otherwise disposed. The disposal of all items of significant value should be documented

In addition, if all employees on the payroll do not pick up their own checks, conduct a payroll audit by requiring those employees who do not pick up their check to come to the office to pick up their check. If they are not recognized, have them present a picture ID. This ID must match the name on the check.

## Resources for Non-Profit Organizations

- **Center for Non-Profit Management - Dallas**

- *Understanding Nonprofit Organizations: Governance, Leadership, and Management*, 2<sup>nd</sup> edition by J. Steven Ott & Lisa A. Dicke
- *The Only Grant-Writing Book You'll Ever Need*, 3<sup>rd</sup> edition by Ellen Karsch & Arlen Sue Fox
- *Asking: A 59-Minute Guide to Everything Board Members, Volunteers, and Staff Must Know to Secure the Gift* by Jerald Panas
- *Governmental and Nonprofit Financial Management* by Charles K. Coe
- *Essentials of Business Communication* (any edition) by Mary Ellen Guffey

## **SECTION XIII: APPENDIX**

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1. Indemnification Requirements
2. Insurance Requirements
3. Sample Certificate of Insurance (COI)
4. Employee Dishonesty Bond

## **CONTRACT SECTION VIII INDEMNIFICATION**

The Contractor agrees to defend, indemnify and hold the City and its respective officers, agents and employees, harmless against any and all claims, lawsuits, judgments, fines, penalties, costs and expenses for personal injury (including death), property damage or other harm or violations for which recovery of damages, fines, or penalties is sought, suffered by any person or persons, that may arise out of or be occasioned by Contractor's breach of any of the terms or provisions of this contract, violations of law, or by any negligent, grossly negligent, intentional, or strictly liable act or omission of the Contractor, its officers, agents, employees, invitees, subcontractors, or sub-subcontractors and their respective officers, agents, or representatives, or any other persons or entities for which the Contractor is legally responsible in the performance of this contract. The indemnity provided for in the paragraph shall not apply to any liability resulting from the sole negligence of the City, and its officers, agents, employees or separate Contractors. The City does not waive any governmental immunity or other defenses available to it under Texas or federal law. The provisions of this paragraph are solely for the benefit of the parties hereto and are not intended to create or grant any rights, contractual or otherwise, to any other person or entity.

Contractor at its own expense is expressly required to defend City against all such claims. City reserves the right to provide a portion or all of its own defense; however, City is under no obligation to do so. Any such action by City is not to be construed as a waiver of Contractor's obligation to defend City or as a waiver of Contractor's obligation to indemnify City pursuant to this agreement. Contractor shall retain defense counsel within seven (7) business days of City's written notice that City is invoking its right to indemnification under this agreement. If Contractor fails to retain counsel within the required time period, City shall have the right to retain defense counsel on its own behalf and Contractor shall be liable for all costs incurred by the City.

## **CONTRACT EXHIBIT “E” INSURANCE REQUIREMENTS**

Contractor shall procure and maintain for the duration of the grant agreement, commercial general liability insurance against claims for injuries to persons or damages to property which may arise from or in connection with the services performed or to be performed hereunder by the Contractor, its agents, representatives, employees, volunteers, officers, directors or sub-contractors.

The City reserves the right to amend or require additional types and higher limits of coverage or provisions depending on the nature of the work.

Commercial general liability insurance shall be written on an ISO occurrence form (or a substitute form providing equivalent coverage) and shall cover liability arising from premises, operations, independent contractors, products-complete operations, personal and advertising injury and liability assumed under an insured contract (including the tort liability of another assumed in a business contract).

**The City, the City Council and its members, the City’s agents, officers, directors and employees shall be included as an additional insured under the commercial general liability policy, including coverage for City with respect to liability arising out of the completed operations.**

Commercial General Liability: \$1,000,000 limit per occurrence for bodily injury, personal injury and property damage, \$2,000,000 Aggregate.

Any deductibles or self-insured retentions must be declared to and approved by the City.

All insurance companies must be authorized by the Texas Department of Insurance to transact business in the State of Texas, must be acceptable to the City of Plano and be placed with an insurer possessing an A- VII A. M. Best rating or better.

### General Requirements Applicable to All Insurance

The contractor shall obtain and maintain the minimum insurance coverage set forth in this section during the entire contract period.

The contractor agrees that the insurance requirements specified herein do not reduce the liability vendor/contractor has assumed in any indemnification/hold harmless section of the contract.

Coverage shall be on a primary basis and non-contributory with any other insurance coverage and/or self-insurance carried by City.

### Evidence of Insurance Required

Prior to the effective date of the Funding Agreement, and thereafter upon renewal or replacement of coverage required by this Agreement, contractor shall furnish City a Certificate(s) of Insurance (COI) on a form approved by the Texas Department of Insurance and signed by an authorized representative of each insurer.

The COI shall list each insurer’s NAIC Number or FEIN. The Certificate Holder Section shall state the following:

City of Plano  
Risk Management Division  
1520 K Avenue, Suite 117  
Plano, Texas, 75074

# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
8/9/2012

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER	CONTACT NAME: PHONE (A/C No. Ext): _____ FAX (A/C No): _____ E-MAIL ADDRESS: _____ INSURER(S) AFFORDING COVERAGE: _____ NAIC #: _____ INSURER A: <b>ABC Ins Co</b> INSURER B: _____ INSURER C: _____ INSURER D: _____ INSURER E: _____ INSURER F: _____
INSURED	

**COVERAGES**                      **CERTIFICATE NUMBER:** 12/13 Master                      **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF. (MM/DD/YYYY)	POLICY EXP. (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GENL AGGREGATE LIMIT APPLIES PER <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC			A1234	8/16/2012	8/16/2013	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (EA ACCIDENT) \$ 100,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000
	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS						COMBINED SINGLE LIMIT (EA ACCIDENT) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ Uninsured motorist combined \$
	UMBRELLA LIAB EXCESS LIAB OCCUR CLAIMS-MADE DED. RETENTION \$			C03167229			EACH OCCURRENCE \$ AGGREGATE \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		N/A				WC STATIL-TOBY LIMITS    OTH-ER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
A	Rented/Leased Equipment			A1234	8/16/2012	08/16/2013	Limit: 50,000 ded: 500 example limit and ded.

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

**Certificate holder is included as loss payee with respect to leased/rented equipment.**

<b>CERTIFICATE HOLDER</b> _____ _____	<b>CANCELLATION</b> SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.  AUTHORIZED REPRESENTATIVE _____
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**CONTRACT EXHIBIT “F”  
EMPLOYEE DISHONESTY BOND**

Per Section VII of the above Funding Agreement, “at its own expense, a Contractor receiving funds in the amount of \$75,000 or more agrees to maintain during the term of this Agreement, or any extension thereof, an Employee Dishonesty Bond (EDB) in an amount to equal to the total dollar amount awarded to the Contractor by the City as defined in the Funding Agreement. A copy of proof of this EDB shall be attached to the Funding Agreement as an additional attachment to Exhibit “