



## Glossary of Useful Terms

### **APPLICANT**

An applicant is a nonprofit organization that has submitted an application to receive funding from The City of San Diego.

### **ANNUAL OPERATING INCOME (AOI)**

An organization calculates its AOI by subtracting in-kind income from unrestricted operating income. The application will include specific instructions as to how to calculate AOI. The Commission uses AOI for two purposes. First, to group applications for the evaluation process so that panelists are evaluating organizations of roughly similar sizes. Second, the Commission uses AOI as part of the award calculation. Smaller organizations generally receive a larger percentage of their AOI while larger organizations generally receive a smaller portion of their AOI. Organizations will calculate their AOI in the Request for Qualifications.

### **ARTIST**

An individual generally recognized by critics and peers as a professional practitioner of the visual, performing, or language arts, or a combination thereof, based on that professional practitioner's body of work, educational background, experience, past commissions, exhibition/performance record, publications, and production of artworks.

### **ARTISTIC EXPENSES**

Funds used to recruit, secure, compensate and supply artists and/or exhibits. (Contrast with Entertainment Expenses.)

### **ARTS**

In this context, the arts encompass visual genres (i.e. painting, sculpture, design, photography, printing, mosaic, video, film, mixed-media, textiles, etc.), performing genres (i.e. music, theater, dance, spoken word, etc.) and literary genres (i.e. poetry, fiction, non-fiction, etc.).

### **AWARD**

An award is the amount of money that The City of San Diego decides upon and intends to give to an applicant. An award is a recommendation, not a guarantee of funding.

### **BOARD OF DIRECTORS/GOVERNANCE**

The board of a nonprofit organization acts as trustees of the organization's assets and ensures that the nonprofit is well managed and remains fiscally sound. In doing so, the board must exercise oversight of the organization's operations and maintain the legal and ethical accountability of its staff and volunteers. According to nonprofit corporation law, each board member must meet certain standards of conduct. These standards are typically described as the following: 1) Duty of Care 2) Duty of Loyalty and 3) Duty of Obedience. "Duty of Care": Board members must exercise ordinary and reasonable care in the performance of their duties, exhibiting honesty, independent judgment, and good faith. Board members must act in a manner which such care, including reasonable inquiry, as an ordinarily reasonable, and prudent person in a like position would use under similar circumstances. "Duty of Loyalty": When acting on behalf of the organization, board members must put the interests of the nonprofit before any personal or professional concerns and avoid any potential conflicts of interest. This means the board member can never use information obtained as a member for personal gain (self-dealing), but always act in the best interests of the organization. "Duty of Obedience": Board members must ensure that the organization complies with all applicable, federal, state, and local laws and regulations, and it remains committed to its established mission. As fiduciaries of the organization, the board maintains oversight of the organization's finances. Board members must evaluate financial policies, approve the annual budget, and review periodic reports to ensure that the organization has the necessary resources to carry out its mission and remains accountable to its donors and the public.

## **CITY**

The City of San Diego

## **COMMISSION**

The City of San Diego Commission for Arts and Culture

## **COMMISSIONER**

A volunteer appointed by the Mayor and confirmed by City Council to serve in an advisory capacity to the Mayor and City Council of The City of San Diego on promoting, encouraging, and increasing support for San Diego's diverse artistic and cultural assets, integrating arts and culture into community life and showcasing San Diego as an international cultural tourist destination.

## **COMMISSION STAFF**

Full-time employees of The City of San Diego assigned to administer the programs and services of the Commission under the oversight and direction of the Mayor and Deputy Chief Operating Officer for Neighborhood Services.

## **COMMUNITY**

Community describes a unit of social organization based on some distinguishing characteristic of affinity: proximity (the North Park community), belief (the Jewish community), ethnicity (the Latino community), profession (the medical community) or orientation (the gay community).

## **CONTRACT**

A contract is a legally binding document that establishes the relationship between The City of San Diego and a nonprofit organization and outlines the duties of each party. The contract is the tool that enables The City of San Diego to pay out the award. Organizations that have been awarded funds may not request payment against that award until a contract is verified and executed by all the requisite departments within The City of San Diego including The Commission for Arts and Culture, Purchasing and Contracting; City Attorney and City Clerk.

## **CONTRACTOR**

A contractor is an applicant who has successfully entered into a contract with The City of San Diego and is performing duties under the terms of the contract.

## **CULTURAL TOURISM**

Travel with a primary purpose to experience the arts, heritage, cultures, or special character of a place.

## **CULTURE**

In this context, culture refers to fine arts, humanities and the broad aspects of a science as distinguished from the vocational, recreational and technical. Art, architecture, science and history are considered cultural in this context.

## **DATAARTS**

See DataArts factsheet on the Commission's website.

## **ENTERTAINMENT EXPENSES**

Funds used to recruit, secure, compensate and supply amusements including but not limited to fireworks, caricature drawings, balloon animals, mascots, face painting, animal rides, petting zoos, or carnival games. (Contrast with Artistic Expenses).

## **FISCAL SPONSOR**

A nonprofit, tax-exempt organization that chooses to support a project by receiving funds from a private foundation, a government agency, or tax-deductible donation and passing them on to the project. The fiscal sponsor assumes the liabilities, legal and tax reporting requirements associated with accepting funding. For more specific instruction, fiscal sponsors and their sponsored applicant are strongly encouraged to seek professional legal and accounting counsel to determine how best to structure their business relationship. In this context:

- **Legal:** The fiscal sponsor would be the applicant, and if awarded funding, would become the contractor. The fiscal sponsor must comply with The City of San Diego's contractual requirements.
- **Relationship:** The sponsored applicant must become employees or volunteers of the fiscal sponsor for the duration of the project. Project expenses must be paid directly by the fiscal sponsor to vendors and suppliers. All activities performed by the project personnel, including writing grant proposals or requesting donations, will be done so on behalf of the fiscal sponsor. All funds raised are the property of the fiscal sponsor.
- **Liabilities:** Because the project is being conducted on behalf of the fiscal sponsor, the project activities create the same liabilities for the fiscal sponsor as would any other program. The fiscal sponsor is liable for the actions and omissions of the project personnel – whether employees or

volunteers - within the scope of their project work. If the project has unpaid bills, borrows money, injures someone, damages property, infringes someone's copyright, or undertakes the obligation to supply goods or services to others – all these are the fiscal sponsor's liabilities.

- Tax Reporting: Depending on the commitments made to grantors and donors, the fiscal sponsor may be required to designate money for the project as a restricted fund on its financial records and on its Form 990 return. Payroll tax returns must also be filed for employee compensation.

## **GO GRANTS ONLINE**

Go Grants Online is the name of the web-based software system that The City of San Diego uses to collect applications. Go Grants is a product created and managed by The Western States Arts Federation (WESTAF). The City of San Diego holds a licensing agreement with WESTAF to use Go Grants.

## **IN-KIND CONTRIBUTIONS**

In-kind contributions are the value of goods or services donated to an organization either as volunteer staff time or goods donated by vendors at no cash expense to the organization.

## **IN-REACH**

The attendance by groups of people coming to any venue owned, rented or otherwise controlled by an organization from any of the City's Council Districts.

## **LOCAL AUDIENCES**

Those people living within fifty (50) miles of an event site attending the event as spectators (as opposed to participants.)

## **MATCHING REQUIREMENT or CASH MATCH**

Contractors with project cash expenses over \$30,000 must be able to match City funding at a 3:1 ratio: for every \$1 the City invests, the applicant must match that support with \$3 in cash funding. Cash match funding may come from any number of sources including earned or contributed income but cannot come from The City of San Diego. Contractors in the CCSD program only, with project cash expenses of \$30,000 or less, must match City funding at a 2:1 ratio and up to 50% of the match may consist of in-kind donations.

## **NEIGHBORHOOD**

The geographically defined area within The City of San Diego where programs and services are provided and outreach activities are targeted. The boundaries of neighborhoods are sometimes better defined by neighborhood residents than by police or city maps.

## **ONLINE APPLICATION FORM**

See Go Grants Online.

## **ONLINE APPLICATION PORTAL**

See Go Grants Online.

## **OUTREACH**

Programs and services implemented at locations other than an organization's primary location, including those locations that are owned or rented and those that are not owned or rented by the applicant.

## **PARTICIPANTS**

The direct recipients and users of the event (e.g. youth and their parents, seniors, the homeless, apprentice artists, etc.). Participants should not be confused with "audiences" or "visitors" - people who may attend an event as guests but are not actively engaged in the project.

## **PROJECT**

The arts and culture event or activity proposed by the applicant for funding. Eligible projects are typically one or a series of events united by a single theme or purpose and typically of limited duration.

## **PROJECT-SPECIFIC COSTS**

Costs which can be identified and assigned to a specific project activity. These include expenses for personnel directly assigned to the project such as artistic/entertainment, administrative/professional, technical production, etc. Direct costs may also include operating costs specifically associated with the project such as the rental of outside facilities, postage, materials, and supplies.

## **TOURIST**

A person who travels more than 50 miles or is traveling from Mexico to visit San Diego and/or someone who stays overnight in a hotel/motel.

## **VENDOR**

A vendor is a person or an organization that provides goods or services to the general public as a feature of your project. For example, the business that sells popcorn at your festival is a vendor for the purposes of this application, but the business that sells you signage for the event is not.