



# SCIENTIFIC AND CULTURAL FACILITIES DISTRICT 2016 ELIGIBILITY APPLICATION DIRECTIONS

## SUBMISSION PROCEDURES

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Please read these directions in their entirety prior to completing the Eligibility Application.

A completed eligibility application (including all attachments in numerical order) must be submitted as a hard copy to the SCFD office. Eligibility applications must be received by

**5:00 p.m. on September 9, 2016** in order for an eligibility determination to be made prior to the 2017 grant cycle. **Late and/or incomplete applications will not be considered nor processed.** An applicant organization will be notified by mail if its application is incomplete and will have the opportunity to submit a complete application the following year. For questions or concerns about eligibility, please contact the SCFD office at [scfd@scfd.org](mailto:scfd@scfd.org) or call (303) 860-0588.

Mailing/Street address: **SCFD Eligibility Review  
Scientific and Cultural Facilities District  
899 Logan Street #500  
Denver, CO 80203**

## NOTIFICATION OF ELIGIBILITY STATUS

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Applicants will be notified of their eligibility status as follows:

- ***Eligible for Funding:*** SCFD will notify the organization in writing confirming its eligibility. If an organization meets all eligibility criteria, it may apply for funding in the upcoming grant cycle. Once eligibility has been granted, an organization should review <http://scfd.org/p/funding-process-overview.html> to become acquainted with the Tier III grant process. **Please note, eligibility does not guarantee funding.**
- ***Ineligible for Funding:*** If an organization *does not meet* specified eligibility criteria (see below), the organization will receive notification, in writing, regarding the areas that do not meet SCFD criteria for eligibility. If the organization believes the determination was in error it should consult the SCFD Board Eligibility Appeal Policy found on the SCFD website: [www.scfd.org](http://www.scfd.org).

## ***ELIGIBILITY CRITERIA***

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The Scientific and Cultural Facilities District statute outlines eligibility criteria applicable to all organizations seeking funding. **An organization must meet ALL of the following criteria and must submit all of the following corresponding documents to become eligible.**

**Please be aware that starting with eligibility applications due September 2017, there will be statutorily approved changes to eligibility criteria. Please see the "Seeking Funds" page of the SCFD website for details.**

### **A. Qualifying/Primary Purpose Requirement**

Colorado Revised Statute §32-13-107(3)(b)(I)(A): The primary purpose of scientific and cultural facilities shall be **"to provide for the enlightenment and entertainment of the public through the production, presentation, exhibition, advancement or preservation of art, music, theatre, dance, zoology, botany, natural history, or cultural history."**

- "Cultural facility" means a nonprofit institutional organization having as its primary purpose the advancement and preservation of ART, MUSIC, THEATRE OR DANCE.
- "Scientific facility" means a nonprofit institutional organization having as its primary purpose the advancement and preservation of ZOOLOGY, BOTANY, NATURAL HISTORY OR CULTURAL HISTORY.
- "Cultural history" means the history that concentrates upon the social, intellectual, and artistic

aspects or forces in the life of a people, region, state, or nation, for which an understanding and appreciation may be gained through buildings, structures, sites, architecture, objects, and activities significant to said history.

**The statute does not allow funding of:**

- any agency of the state (including libraries)
- any educational institution, school or educational foundation
- any radio or television broadcasting network or station
- any cable communications system
- any newspaper or magazine
- any organization that is engaged solely in the acquisition or physical restoration of historic buildings, structures or sites

**Key documents used to determine qualifying Primary Purpose:**

**1. Compliance Statement:**

Please state in your own words how your organization meets SCFD's statutory requirement that the organization's primary purpose is "to provide for the enlightenment and entertainment of the public through the production, presentation, exhibition, advancement or preservation of art, music, theatre, dance, zoology, botany, natural history or cultural history...." Include one or more examples of how the organization meets these criteria. **Do not use the language in the statute verbatim.** Please use 12 point font and limit your response to one page.

**Also include, if applicable:** If the organization has been denied eligibility in the past, provide a written statement specifically explaining how the organization has overcome each identified barrier to eligibility as stated in its previous denial letter.

**2. Mission Statement:**

Provide the organization's mission statement as adopted by the Board of Directors and reported to the IRS. **Please indicate the date of adoption and the most recent review by the board of directors.**

**3. Governance: Articles of Incorporation, Bylaws, and past 12 months of board meeting minutes:**

Provide a copy of the organization's current articles of incorporation, current bylaws, any amendments to either, along with date of adoption, and **all** minutes from board meetings that occurred within the last 12 months. **Please note: Articles of Incorporation and Bylaws are usually two separate documents.**

**4. Activities List:**

An activities template can be found in Appendix A and downloaded from the Eligibility page on the SCFD website. Please save it, complete it according to the directions below, and attach it with the eligibility application. You may add rows as necessary. Please follow the example of an activities list format included on the last page of these instructions.

- List **all** of the organization's public and private activities during the last three fiscal years in chronological order. The submitted list must demonstrate that the organization has been serving the public through public activities for at least the past 36 months as of the Eligibility deadline. **Please provide the month, day and year of each event as well as the address.** Also list any planned/projected activities through the end of the current fiscal year.
- **Public activities should be noted with an asterisk.** Activities that serve the public generally include events open to the public such as: performances, outreach performances to schools and community centers, and classes. Examples of activities

that are not considered mission-based public activities might include rehearsals, private events or parties, events during religious services, weddings/funerals, fundraising events, etc. These types of events should be detailed on the application; however as non-public events, they should not be noted with an asterisk. Board meetings should not be included on the activities list.

- **A thorough description of each event must be provided.** Also, indicate if any events are collaborations and the name(s) of any collaborating organization(s).
- Additional information regarding attendees' county of residence may be requested, if that information is needed, to determine statutory compliance.

\*Example Activities List

Date (mm/dd/yy)	Location (street address, city, county)	Event (name or type AND full description)	Number of People in Attendance
06/05/15	Buntport Theater, 717 Lipan Street, Denver, Denver	Japanese Film Night, "ABC" film debut; Screening and discussion with director *	35
07/08/15-07/10/15	Arvada Center, 6901 Wadsworth Blvd, Arvada, Jefferson	The Nutcracker; Modern ballet performance and demonstration with audience members; * Collaboration with ABC Dance Ensemble	200

## **B. Tax Status Requirements**

5. Colorado Revised Statute §32-13-107(3)(b)(I)(A) or (3)(c)(I)(A): *“Any such facility shall be a nonprofit organization that has a determination letter in effect from the IRS confirming §501(c)(3) status under the federal IRS Code of 1986”*

- **Tier II:** IRS Letter of Determination certifying 501(c)(3) must have been issued or re-issued within the last five years and the effective date of exemption must be at least **five** years prior to date of eligibility application submission. Please note that years an organization spends under fiscal sponsorship of another organization do not count toward this requirement.
- **Tier III:** IRS Letter of Determination certifying 501(c)(3) must have been issued or re-issued within the last five years and the effective date of exemption must be at least **three** years prior to date of eligibility application submission. Please note that years an organization spends under fiscal sponsorship of another organization do not count toward this requirement.
- SCFD accepts eligibility applications from organizations with a **national affiliation that cannot acquire an in-state 501(c)(3) status**. They must:
  - Have Colorado incorporation, and
  - Be governed by a local board, and
  - Show proof of individual 990 tax filings, and
  - Not otherwise be able to obtain an individual tax status.

**For Local Government Entities:** Provide documentation of status as an agency of local government whose primary purpose qualifies. You must submit: a formal resolution creating the *cultural* or *scientific* entity, its special revenue fund (or similarly segregated fund) separate from the city/county's general fund, and the agency's purpose. For Tier III, the resolution adoption date must be at least **three** years prior to date of eligibility application submission (**five** years for Tier II). Also provide documentation of the organization's structure and relationship with any related government entity.

## **C. Organizational and Financial Capacity Requirements**

6. Colorado Revised Statute §32-13-106(2)(k) allows the SCFD board to take into consideration, for initial and ongoing eligibility purposes, an organization's financial and

organizational capacity to expend tax dollars to serve the public and achieve the mission of the organization.\* **Please provide the following required financial documents:**

**For Nonprofit Organizations with revenue under \$500,000**

*Please submit ALL of the following:*

1. Submit IRS Form 990-EZ or 990, filed per IRS requirements, for most recently completed fiscal year (MRCFY). Include all schedules and 990-T if applicable.\* **990N filings and 990 extensions will not be accepted.**
2. Statement of Activities (P&L) for most recently completed fiscal year (FY)\*
3. Statement of Financial Position (Balance Sheet) for MRCFY\*
4. Current FY Statement of Activities (P&L) showing actual year-to-date revenue and expenses compared to current FY budget
5. Current FY Statement of Financial Position (Balance Sheet)

\*See Appendix B of this application for financial definitions.

**For Nonprofit Organizations with revenue between \$500,000 - \$750,000**

*Please submit ALL of the following:*

1. Submit IRS Form 990, filed per IRS requirements, for most recently completed fiscal year (MRCFY). Include all schedules and 990-T if applicable.\* **990 extensions will not be accepted.**
2. A Financial Review for the most recently completed fiscal year (FY) compiled by an independent third party that includes Statement of Activities (P&L) and Statement of Financial Position (Balance Sheet) for MRCFY\*
3. Current FY Statement of Activities (P&L) showing actual year-to-date revenue and expenses compared to current FY budget
4. Current FY Statement of Financial Position (Balance Sheet)

\*See Appendix B of this application for financial definitions.

**For Nonprofit Organizations with Revenue over \$750,000**

*Please submit ALL of the following:*

1. Submit 990 filed per IRS requirements, for most recently completed fiscal year (MRCFY). Include all schedules and 990-T if applicable.\* **990 extensions will not be accepted.**
2. An Independent Audit for the most recently completed fiscal year (FY) compiled by a third party that includes Statement of Activities (P&L) and Statement of Financial Position (Balance Sheet) for MRCFY\*
3. Current FY Statement of Activities (P&L) showing actual year-to-date revenue and expenses compared to current FY budget
4. Current FY Statement of Financial Position (Balance Sheet)

\*See Appendix B of this application for financial definitions.

**For Agencies of Local Government**

*Please submit ALL of the following:*

1. Statement of Activities (P&L) for cultural or scientific agency's MRCFY (local government general ledger or larger department financials will **NOT** be accepted for this requirement). Agency must provide P&L for their designated special revenue fund.
2. Current fiscal year (FY) Statement of Activities (P&L) compared to current FY budget
3. Documentation of any related governmental entity and/or foundation that provides in-kind or other support to the organization, if applicable.

7. **Board of Directors:** List members with addresses and a description of the expertise each member brings to the organization. Please note if any board members are compensated, related to each other or to staff, or reside in the same household. **Also** include a brief description of the board of directors' role in advancing the mission of the organization.

8. **Staff.** List staff members, their email addresses, along with a brief description of each person's expertise and responsibilities. For smaller organizations with no paid staff, please include key volunteer positions. Note if any staff members are related or reside in the same household with other staff or board members.

#### D. Public Benefit Requirement

Colorado Revised Statutes §32-13-107(3)(b)(I)(B) and 107(3)(c)(I)(A) Funding must be used to support accessible programs and events with direct, identifiable and measurable public benefit *principally* to the residents of the District.

9. Please provide advertisement examples with dates that demonstrate the organization has been in existence, operating and serving the public for at least **three** years for Tier III and at least **five** years if applying for Tier II. Advertisement examples include but are not limited to:

- |                             |                |
|-----------------------------|----------------|
| -Flyers/Posters             | -Email Blasts  |
| -Publication advertisements | -Newsletters   |
| -Documentation of radio ads | - Social Media |

**\*\*Please include no more than 3 advertising examples per year\*\***

- E. Geographic Requirements Colorado Revised Statutes §32-13-107(3)(b)(I)(B) and 107(3)(c)(I)(B) No attachments are required. Geographic requirement is determined based on organization's primary address and activities list.

To be eligible an organization must:

- Have its principal office physically located within the Scientific and Cultural Facilities District, which excludes the towns of Castle Rock and Larkspur (Please note: a PO Box does not qualify as a physical address),
- Conduct a majority of its activities within the state of Colorado; and
- Offer activities that are accessible to and principally benefit the residents within the District.

#### F. Non-Discrimination Requirements

10. The organization must have a *board approved* non-discrimination policy that is **at least as inclusive** as SCFD's non-discrimination statement. These protections should extend to all individuals with whom the organization comes into contact (employee, volunteer, program participant, patron, visitor or other). Indicate the date of adoption and its most recent review by the board of directors.

**The Scientific & Cultural Facilities District does not discriminate against any person or organization based on age, race, sex, color, creed, religion, national origin, sexual orientation, transgender status, gender identity, gender expression, ancestry, marital status, gender, veteran status, military status, political service, affiliation or disability.**

*\*Some tools that SCFD uses to gauge organizational and financial capacity include: IRS regulations and filing requirements, the Colorado Nonprofit Corporation Act, the Colorado Secretary of State Business and Licensing Divisions' filing requirements, the Colorado Nonprofit Association's Principles & Practices for Nonprofit Excellence in Colorado, Generally Accepted Accounting Principles and Generally Accepted Auditing Standards.*

*Subsequent to submission of the application, SCFD may request updated or additional information. Please note all facets of the application are looked at in their entirety and required documentation can be used in determining multiple eligibility factors.*



## APPENDIX B: FINANCIAL DEFINITIONS

### Definitions:

- **Form 990, 990 EZ or 990N** is an annual reporting return that federally tax-exempt organizations must file with the IRS. Depending on the version of the form, it provides information on the filing organization's mission, programs, and finances. 990N forms are not accepted for SCFD eligibility.
- **Statement of Financial Position, also called a Balance Sheet:** This document is a snapshot of an organization's financial position and reports that financial position as of a specific date, e.g. July 31, 2015, rather than over a period of time. Items reported on the balance sheet are limited to: assets, liabilities, and net assets or fund balance. A balance sheet records the status of an organization's resources at a given point in time (often at the fiscal year end date).
- **Statement of Activity, also called a Profit and Loss Statement, a Statement of Revenues and Expenditures, or an Income Statement:** This document shows an organization's activities over time, e.g. one month or one year, rather than at a particular moment in time. This document records the activities of earning revenue or expending resources. This document reports only two items: revenue and expenses; although it may compare budgeted to actual, e.g. budgeted revenue to actual revenue or budgeted expenses to actual expenses.
- **Financial Review:** The objective of a financial "review" conducted by an independent auditor is to examine the nonprofit's financial statements and determine whether the financial statements are consistent with generally accepted accounting principles. A review shares the goals of an audit; however, a review is not conducted with the same level of investigation, analysis, or cost as an independent audit.
- **Independent Audit:** An independent audit is an examination of the financial records, accounts, business transactions, accounting practices, and internal controls of a charitable nonprofit by an "independent" auditor.

**Please Note: These documents are required for your application to be complete.** If you are unsure your organization is recording financials according to nonprofit standards, you can search these terms on the internet to find templates for comparison. All submitted financials must adhere to Generally Accepted Accounting Principles (GAAP).