

MINNESOTA CODE OF AGENCY RULES

RULES OF THE MINNESOTA STATE ARTS BOARD

1982 Reprint



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Prepared by

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MINNESOTA STATE ARTS BOARD

Rules Governing Review of Requests for and Distribution
of Grants, Loans and Other Forms of Assistance

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State Arts Board

Rules Governing Review of Requests for and Distribution
of Grants, Loans and other Forms of Assistance

5 MCAR § 5.001 Authority for the rules. These rules are adopted pursuant to Minn. Stat. ch. 139.10, subds. (e) and (f) (1976).

5 MCAR § 5.002 Purpose of the rules. The purpose of these rules is to set forth procedures and standards to be followed by the board in receiving, considering and reviewing requests for and distribution of grants. Any actions taken by the board, its staff and advisory committees related to the review and distribution of grants must be clearly based on the standards in rule form. Explanation of actions requested by applicants must be offered in the context of the standards in rule form.

5 MCAR § 5.003 Whom the rules govern. These rules govern the board; advisory committees; regional arts councils; and all individuals, organizations, departments, and agencies of the state and political subdivisions who wish to receive grants or other forms of assistance from the board.

5 MCAR § 5.004 Definitions. For the purpose of these rules, the following terms shall have the meanings given to them:

A. "Advisory committee" means a group of citizens appointed by the board to review and make recommendations on grants assistance offered by the board or make recommendations on public arts policy matters.

B. "Block grant" means grants to regional arts councils for the purpose of providing services, re-grants, and direct programming for local/regional arts development.

C. "Board" means the Minnesota State Arts Board.

D. "Certified audit report" means a document prepared and signed by a Certified Public Accountant showing the total fiscal activity of the organization regarding a project or program.

E. "Direct programming" means the implementation of arts production or arts sponsorship activities by a regional arts council.

F. "General support" means a program that provides unrestricted operational grants assistance to eligible organizations which meet the standards contained in these rules.

G. "Local/regional arts development" means programs or projects which are for the development or enhancement of local or regional artists, art resources, or art audiences.

H. "Other forms of assistance" means publications, staff consultation or workshops with individuals or groups who have developed, or are interested in developing, projects or programs in the arts but need advice on matters such as, but not limited to, budgeting, administration, production and technology.

I. "Program information" means any document(s) issued describing programs and services of the board which includes instructions, deadlines, and other aids for the applicant seeking board grants assistance. Program information may clarify and explain standards contained in rule form, but such clarification shall not be considered standards or criteria itself.

J. "Project" means an activity or series of closely related activities for which funds are requested from the MSAB or a regional arts council. The activity or series of activities must be completed within 24 months of the notification of the receipt of a grant in support of the activities.

K. "Regional" means program or service distribution and organizational impact within the geographic area served by a regional arts council. Formal combinations of two or more development regions under one regional arts council will be regarded as one region for this purpose.

L. "Regional arts council" means an organization or a group designated by the board to make final decisions on the utilization of block grant funds granted to them for local/regional arts development.

M. "Regional arts task force" means an advisory committee of the board which reviews applications for local arts development projects serving the region(s) the arts task force represents. A regional arts task force may also be an advisory committee to a regional development commission or the Metropolitan Council.

N. "Re-granting" means the process of allocating block grant funds for the purpose of funding arts projects or programs or services described in the applications to regional arts councils.

O. "Services" means non-grant activities including, but not limited to, information services, technical and consultative services, planning, reporting, evaluation, and other program development efforts that are provided by the Minnesota State Arts Board and/or regional arts councils.

P. "Sponsor assistance" means a program which provides grants assistance to eligible organizations, which meet the standards contained in these rules, that host arts events by contracting for the services of another organization or individual to provide arts programming to their community.

Q. "State-wide" means program or service distribution and organizational impact throughout most or all of the regions of the state.

5 MCAR § 5.005 Advisory committees.

A. The board may appoint advisory committees to review grant applications.

B. The board may discontinue any advisory committee, as it deems necessary.

C. Members of each advisory committee shall have expertise and/or experience in a particular area of the arts, arts support or administration. Committee members will be selected by the board from among practitioners, administrators, educators, volunteer directors of arts organizations, trustees of arts organizations and other participants in the arts.

D. Appointments to advisory committees shall be made by majority vote of the board. Members shall serve at the pleasure of the board for appointment-terms of no longer than three years. Appointments to advisory committees shall be made so that the appointment-terms of at least one-third of the membership of each committee shall expire in each year.

E. At least sixty days prior to expiration of the appointment-terms of any advisory committee member, the board will publish, distribute and post notice of such openings. Nominations will be actively solicited and accepted by the board. Nominations must be in writing and should include all pertinent information including nominees' qualifications and experience in the arts.

F. Advisory committees will, insofar as reasonably possible, be geographically balanced.

G. Members of the advisory committees and regional arts task force shall be compensated for expenses incurred to attend advisory committee meetings as provided in Minn. Stat. § 15.059, subd. 3, except that they shall not be eligible for the per diem.

H. Any member of an advisory panel with a direct financial or employment interest relating to any grant application before the advisory panel, or with a professional, employment or financial interest relating to any individual artist applicant, will inform the board of such an affiliation prior to the review of grant applications.

1. Affiliation of an advisory panel member with an applicant includes:

a. Receipt of direct financial benefit from the applicant organization or project being reviewed;

b. Serving as an employee or governing board member of an applicant organization being reviewed;

c. Serving with or without payment as a consultant to an applicant on the application being reviewed;

d. Familial relationship with an applicant or a staff or board member of an applicant organization;

e. Recent receipt of free tickets or other benefits from an applicant being reviewed.

2. The MSAB will annually screen panel members for affiliations which may constitute conflict-of-interest.

5 MCAR § 5.006 Eligibility requirements for individuals applying for grant assistance.

A. Subject to 5 MCAR § 5.012 and the other provisions contained in these rules an individual artist is eligible for grants assistance only if that artist is:

1. A resident of Minnesota according to the voting requirements of the state;

2. Not involved in executing work initiated or completed by another individual or organization as their agent, or not solely involved in the organization or presentation of other artists' works.

B. An individual artist who has received a Minnesota State Arts Board individual artist grant may not apply for another individual artist grant until one fiscal year after the receipt of such grant.

C. An individual artist may not submit more than one application each fiscal year.

5 MCAR § 5.007 Eligibility requirements for organizations, governmental units and schools applying for grant assistance.

A. Subject to 5 MCAR § 5.012 and the other provisions of these rules, non-profit, tax-exempt organizations, schools, governmental units and departments and agencies of the state are eligible to apply for:

1. Local/regional arts development assistance from regional arts councils if:

a. This assistance is for the creation and production of arts programs or projects which are for the development or enhancement of local or regional artists or arts organizations.

b. This assistance is for local arts sponsorship projects in which \$3,000 or less is requested.

c. The project submitted is not limited in access to, or only serves, those attending schools, including the staff.

2. Sponsor assistance from the Minnesota State Arts Board if:

a. All applicants identified in A. submit projects which are within the definition of sponsor assistance in 5 MCAR § 5.004 P. of these rules.

b. The project submitted is not limited in access to, or only serves, those attending schools, including the staff.

c. This assistance is for the projects in which more than \$3,000 is requested.

d. In those cases in which a school is an applicant and is seeking arts-in-education assistance, the project to be supported must be an artist residency project of one week (5 school days) or longer.

3. General support from the Minnesota State Arts Board if:

a. The organization seeking support is an arts producing, or exhibiting organization. Public broadcasting stations, schools, universities, colleges, libraries, governmental units, chambers of commerce and other community service organizations are not eligible to apply for this type of assistance.

b. The organization has been in existence two full years prior to applying.

c. The organization has a certified audit of its accounts for two full years prior to applying.

d. The organization has paid professional management.

e. The organization has a cash revenue budget of at least \$700,000 for its fiscal year completed prior to applying for Group I, and at least \$100,000, but less than \$700,000, for its fiscal year completed prior to applying for Group II. This budget shall be substantiated by certified audit.

B. Organizations may only request up to 10% of their annual budgets from the general support program.

C. Organizations which receive grants for general support are ineligible to apply for special project and sponsor assistance grants from the Minnesota State Arts Board and all grants from regional arts councils.

D. Applicants for grants assistance from the Minnesota State Arts Board and regional arts councils must be able to show evidence of match through cash, revenue or grants in order to be eligible for any type of grants assistance.

5 MCAR § 5.008 Process for obtaining grants in all categories except regional arts council block grants.

A. Definitions. For the purpose of this rule the following terms shall have the meanings given to them.

1. "Applicant" means

- a. Any Minnesota resident who submits an application for a grant,
or
b. Any organization, department or agency of the state or political subdivision on whose behalf an application for a grant is submitted.

2. "Authorizing official" means

- a. A person, empowered to enter into contracts for and who signs the grant application of an organization, political subdivision, or department or agency of the state, or
b. In the case of individual artist applications, an individual artist who signs the grant application.

3. "Co-sponsor" means a partnership of two or more organizations and/or governmental units to present arts activities within a community or school which submits one grant application.

4. "Fiscal agent" means any Minnesota non-profit, tax-exempt organization or governmental unit which applies to the board on behalf of an organization or group not meeting the non-profit, tax-exempt requirements. The fiscal agent must sign the application and, if a grant is received, sign the grant letter/contract. The fiscal agent is legally responsible for the completion of the project and for the proper management of the grant funds.

5. "Grant" means an allocation of funds to an applicant which is to be used for the purpose(s) described in the application. The funds are not repaid.

6. "Grant contract" means the legally binding document signed by an authorizing official of an organization or an individual artist who has received a grant obligating him/her to perform grant activities and to fulfill the requirements stipulated in the contract.

7. "Grantee" means an applicant whose application is approved for funding by the board.

8. "Matching funds" means share of the financial support for a project or program raised by applicant from sources other than MSAB. Match for a project or program cannot be made up solely of in-kind contributions. The sources for matching funds may be one or more of the following: cash, in-kind items, revenue or other grants.

a. "Cash" means cash as shown by availability of bank statements, or other indication of cash on hand and budgeted for the project or program.

b. "In kind" means items such as materials, labor and space which can be given a dollar value. Applicant must be able to prove that in-kind match is committed to the project or program.

c. "Revenue" means anticipated or actual receipts from sale of tickets or products.

d. "Other grants" means grants received from other grant-making agencies, public or private.

9. "Notification letter" means the letter notifying an applicant of approval or rejection of the application.

10. "Project director" means person designated by an organization, political subdivision or department or agency of the state as the individual responsible for overseeing the implementation of the project or program for which the application is made.

B. All applications for grants must be made on official application forms for the appropriate program available at the offices of the board. Applicants must use grant application forms for the appropriate fiscal year. Requests for other forms of assistance may be made directly to the board at its offices.

C. A copy of these rules and appropriate program information will be provided upon request to all applicants and the public.

D. All applications must be postmarked by the deadlines set forth by the board in the current program information.

E. The application form will request the specific data needed to determine the eligibility of the individual or organization and to review the application according to the review standards.

F. All applications submitted by individual artists to the board for grants must include examples of works of art of the applicant submitting. The type of examples required and the maximum number of examples to be submitted will be specified in current program information of the board. No exceptions will be made to these requirements.

G. All applications of an organization, political subdivision or agency or department of the state must name a project director.

H. The staff will review all applications submitted by the deadline for completeness.

1. The applicant is responsible for the completeness of the application.

2. An incomplete application is not eligible for review by the advisory committee or the board.

I. A late application will not be considered for review by the advisory committee or the board.

J. A complete application includes the following:

1. The appropriate application form with all spaces completed;
2. Authorizing signature(s) on the application form;
3. A complete data summary form;
4. All required resumes attached;
5. Applications from organizations have named a project director;
6. Applications from individual artists must have included required supporting materials;
7. Where applicable, a copy of the contract with the fiscal agent;
8. Postmark or delivery by the stated deadline(s) in program information.

K. The applicant is responsible for the quality and the nature of the responses in the application form and the supporting materials.

L. Advisory committees, when reviewing applications under the standards listed in 5 MCAR § 5.010, shall submit as recommendations:

1. Full funding,
2. Partial funding, except for individual artist grants, which can only be for the full requested amount, or
3. No funding.

M. The board shall give considerable weight to the recommendations of the advisory committees.

N. The board may request comments and recommendations from the staff on all aspects of applications.

O. The board may request a revised budget and/or project description before taking final action on grant applications.

P. The board shall make all final decisions as to approval or rejection of grant applications or requests for other forms of assistance.

Q. If the board awards a grant which is smaller than the amount requested, the applicant will be notified by mail, and will be required to submit a revised budget before a grant contract will be sent.

R. All applicants will receive a notification letter of acceptance or rejection within 45 days after final review of the application by the board, except when a revised budget is necessary. In that case, applicants will receive a grant

contract and notification letter within 45 days after the receipt of the revised budget by the board.

S. In the event a grant is awarded to a fiscal agent, the fiscal agent must sign the grant letter. The fiscal agent must have a written contract with the group implementing the project/program which specifies the responsibilities of each. This contract must be submitted with the application form.

T. The board will not assume responsibility for any loss or damage to materials submitted with applications.

5 MCAR § 5.009 Process for obtaining regional block grants; regional plan review; regional arts council review; re-granting and reporting requirements.

A. To be eligible to receive a regional block grant an organization shall:

1. Develop a biennial plan to be submitted by an announced date, determined by the board.

2. The plan will include:

a. A mission statement of goals established by the organization. The mission statement shall describe the overall philosophy and aims of the organization concerning local/regional arts development.

b. A needs assessment which will be carried out in a manner which ensures input from the arts community and the arts-involved public. This needs assessment will be updated at intervals determined and announced by the board and the results included in the plan. The needs assessment will be conducted to determine the need to develop new or continued program activities, services and grants assistance offered by the regional arts council.

c. Description of the planning process including a list of the steps in the development of the plan and the participants in the planning process. Before the plan is submitted to the board for final approval at least one public meeting must be held for the purpose of soliciting public reaction to the plan.

d. Work plan including a description of services, programs and grants assistance available from the organization and the goals and objectives of these activities as related to the needs assessment.

e. Program information which describes grants and other forms of assistance available, the methods for such assistance, eligibility requirements, review standards, the review process, the terms of the grant contract with grant recipients, the time needed and process followed in paying grant recipients, and the responsibilities of the grantees.

f. The organizational structure which must include bylaws, an identification of the arts experience and background requirements for the

members and job description of the staff of the organization, a description of the rotation system which will ensure replacement of members on a regular basis, and an outline of the open nominations process used to appoint the members.

g. Where applicable, a memorandum of agreement with the regional development commission(s) or the Metropolitan Council, a letter of agreement between the organization and a fiscal agent or the tax-exempt letter for non-profit organizations will be included. A memorandum of agreement shall include that application decisions on artistic merit, applicant ability, and need for project or program must be reserved for consideration only by citizen advisory committees appointed for their expertise and experience in the arts. The memorandum need only be submitted to the MSAB once, at the start of the operation of an organization as a regional arts council.

h. A budget which will be a total projected budget identifying all local, regional, state and federal sources of support, public and private.

i. A grant monitoring and evaluation process description and an evaluation process description of the council itself.

B. The review of a block grant application is as follows:

1. All regional plans/block grant applications shall be reviewed by a regional arts development advisory committee of the board.

2. The committee will review plans/block grant applications using the review standards of merit of the proposed activities, ability of the applicant and need for the proposed activities by the organization or audience it serves as contained in 5 MCAR § 5.010 A.

3. The regional advisory committee shall submit as recommendations to the board one of the following:

a. Full funding based on the Minnesota State Arts Board allocation formula;

b. Partial funding; or

c. No funding.

4. A representative of the applicant organization shall have the opportunity to present the plan and respond to questions raised by either the regional arts development advisory committee, the board staff, or the board.

5. The Regional Arts Development Advisory Committee shall submit its recommendations to the board for final review.

6. The board shall approve, defer or reject plans submitted by the regional block grant applicants.

C. After the board review, the applicant organization shall have at least 30 days to make any revisions in the plan required by the board.

D. The board will award only one regional block grant in each region during a fiscal year.

E. Each applicant organization receiving a regional block grant shall be designated a regional arts council.

F. Allocated funds for regions not served by a regional arts council will be administered by the MSAB with the advice of a regional arts task force.

G. Copies of the board approved regional arts council plan will be available for distribution to the public by the regional arts council.

H. Regional arts councils are eligible to apply only for block grants for the purposes of local/regional arts development.

I. Regional arts councils receiving block grants from the board are required to follow board rules pertaining to eligibility requirements and review standards in distributing local/regional arts development grants, process for obtaining grants, provisions affecting grantees and miscellaneous provisions. These rules are 5 MCAR §§ 5.007, 5.008, 5.010, 5.011 and 5.012.

J. Regional arts councils must base decisions on local/regional arts development grant applications received through re-granting programs on the review standards listed in 5 MCAR § 5.010 A. These decisions must be made by citizen committees appointed for their expertise and experience in the arts according to 5 MCAR § 5.005 C.

K. Organizations which receive a grant from a regional arts council are subject to the provisions of 5 MCAR § 5.011, Provisions affecting grantees.

L. Each regional arts council shall submit an annual report within 90 days after the end of the regional arts council's fiscal year which shall include:

1. Total fiscal statement, not an audit, for the years in which the plan was in effect.

2. Description of the relationship between the approved plan and the actual grants, and other forms of assistance provided during the year with Arts Board block grant funds.

3. Report of the grants awarded, services provided and programs disseminated.

5 MCAR § 5.009 Appeals process. [Repealed.]

5 MCAR § 5.010 Standards for review of requests for grants.

A. Applications for special projects, sponsor assistance, local arts development and regional block grants will be reviewed according to:

1. The merit and artistic quality of project or program. In the case of service programs and projects the merit and quality of the service being provided to the arts will be reviewed.

2. If the application is determined to be of sufficient merit and artistic quality as to indicate further review the following standards will be applied:

a. The ability of the organization to accomplish the project or program they describe or the organizational goals as presented. This is demonstrated by providing evidence of a planning process, qualifications of artistic and/or administrative personnel, publicity efforts and previous successful efforts.

b. Applicants must demonstrate demand or need for the project or program by the organization applying or the group it serves.

B. In the event that more applications are recommended for funding than funds are available, the advisory committee may rate the recommended applications individually to determine funding priorities. This procedure will be outlined by the MSAB and the regional arts council for each fiscal year.

C. Applications for general support will be reviewed according to:

1. Artistic excellence and leadership.

a. Service to the organization's principal art form(s), i.e., preservation of artistic heritage(s), presentation of new works, new artists.

b. Serving as an example of excellence for others-setting standards. Recognition and impact in community, region, state and nation.

c. Uniqueness of service, in nature or method.

d. Sharing of expertise.

e. Variety of program offering.

f. Qualifications and achievements of artistic leadership.

g. Qualifications, achievements and methods of selection of other principal artistic personnel and administrative personnel.

2. The application is then reviewed according to the following standards.

3. Financial Position/Condition, including Need

a. Total fiscal condition-assets and liabilities (review of audits).

b. Operational plan and budget for fiscal year of grant. Longer range plans and budget would enhance review of one-year plan.

c. Projections of all income sources including MSAB; relative changes in all categories with justifications and plans for achievements.

d. Building ownership and operations as factors in financial activity.

e. Programmatic activities of importance which are regarded as most financially vulnerable or least remunerative; amounts of costs and projected levels of effort.

f. Relationship of projected earnings to earning capacity-potential for growth of earnings.

g. Special financial conditions or considerations of short-range nature, i.e., other special fund-raising, change of leadership, location, building program, etc.

h. Ability to sustain short-term financial short-fall.

4. Fiscal responsibility and management

a. Board membership and responsibilities.

b. Staff qualifications and achievements; levels of compensation; methods of recruitment; standards for recruitment.

c. Job descriptions and role relationships of board and staff.

d. Comparison of previous program and financial projections with achievements.

e. Budgeting and controlling functions; financial planning.

f. Long-range fiscal stability; endowment or capital assets.

5. Commitment to education

a. Of its regular public/market; percentage of effort to education as opposed to public programming.

b. Funds expended for education vs. earned income from educational programs.

c. In collaboration with schools and colleges; services in schools; services to students at arts organization's headquarters; services to educators.

6. Extension to broad audiences/public; formats and marketing.

a. Touring.

b. Publications.

- c. Recordings, films, broadcasting.
- d. Marketing efforts-types; financial commitments to marketing.
- e. Special and non-traditional programming.

7. Size and distribution of audience/public.

- a. Numbers served, by program type, if possible.
- b. Numbers of subscribers and/or regular members; enumeration of individuals served.
- c. Numbers of persons served in headquarters facilities and those served away from home facility.
- d. Indications of audience/public demographics, if available.
- e. Special efforts to serve special constituencies.

D. Individual artists' applications will be reviewed for the quality of the artistic activity as demonstrated in the examples of the work submitted. If the artistic activity is determined to be of sufficient quality as to indicate further review the following standards will be applied:

- 1. The merit of the proposed activity as this relates to the artist's ability to execute the proposed activity and an examination of the artist's proposal, submitted work and career brief.
- 2. Explanation of the amount requested.

E. Because it is anticipated that there will be more qualified applicants than funds available, funding decisions may be made by the board on the basis of the board's and advisory committees' determinations of the artistic quality as evidenced in the work submitted relative to the artistic work submitted in other applications.

5 MCAR § 5.011 Provisions affecting grantees.

A. The grantee or authorizing official must sign and return to the board, within 45 days from date of mailing, one copy of the grant contract and necessary attachments if notification is of grant approval. No action is required on notification of applications not recommended for funding.

B. The grantee must acknowledge assistance by the board on all written materials relating to the project or program such as programs, news releases and posters. Grantee must use the acknowledgement statement as found in the grant contract. Grantees of regional arts councils must also use the board acknowledgement statement on all materials relating to the project or program.

C. The grantee must notify the board in writing at any point if the program or project is changed from the way in which it was described in the grant application. This notification letter will be reviewed by the staff to ensure that the change does not make a project or program ineligible for support as eligibility is specified in these rules. Grantee will be notified in writing of the approval or non-approval of the program or project change(s).

D. Grantee must comply with all Federal regulations specified in the grant notification letter.

E. The grantee may be required to submit a certified audit report of the organization or a project funded by the board.

F. For purposes of evaluation, grantees must permit the board reasonable access to all activities supported by Arts Board funds.

G. A grant contract may be terminated at any time upon the written request of the grantee, but such termination shall not necessarily relieve the grantee of its responsibilities as set forth in the grant contract.

H. A grant contract may be terminated by the board at any time upon the failure of the grantee to comply with one or more of the conditions of the grant contract. Such termination shall be effective upon receipt of written notice by the grantee.

I. A grant contract may be terminated at any time by mutual written agreement of the Board and grantee.

J. A grant commitment to a grantee may be rescinded by the board if one of the following conditions exists:

1. The grantee does not return the signed grant contract and/or attachments within 45 days of the date specified by the board letter or in program information.

2. The grantee does not return a revised budget and/or project description within 30 days of the date of the notification of the board action by letter.

3. The grantee does not request the grant amount within 45 days of the date of the grant contract.

K. Grantee must submit a final report, within 60 days of the date stated in the application as the end of the project or program. This report is to be completed by grantee in the requested format provided by the board. Failure to submit any final reports will adversely affect the grantee's receipt of Minnesota State Arts Board grant funds.

L. Grantee must start grant activities in the same fiscal year in which the grant is received.

M. The board will annually review the regional block grant allocation formula.

N. The board may recall uncommitted regional block grant funds at the end of the board's fiscal year. A written request must be made by the regional arts council and submitted to the MSAB for approval to carry-forward unexpended funds from one fiscal year of the board to the next. This request from a regional arts council must be made by May 1 of the same fiscal year of the board and must outline the proposed allocation for any unexpended funds in narrative form and contain a budget for such use.

O. The board may institute systems of grant payments in which such payments are contingent upon the receipt of final reports and/or board evaluation of the grantee.

5 MCAR § 5.012 Miscellaneous provisions.

A. The board may initiate new assistance categories or pilots in which applicants for assistance may be selected specifically for the way in which the board can learn from their experience.

1. No pilot assistance category will continue for longer than 2 years without the category being established on a permanent basis, or discontinued.

2. All pilot assistance categories will be specifically described as such in MSAB program information.

B. Applications for organizational and individual grants assistance will not be accepted for review when one of the following conditions exists:

1. Artists are required to pay entry or exhibition fees in order to exhibit and/or perform in the project or program for which funding is sought.

2. Funds are requested for capital improvement or construction, purchase of real property or endowment funds.

3. Funds are requested to account for fund deficiencies in projects begun prior to the project start date specified by the Minnesota State Arts Board and regional arts councils in program information.

4. Funds are requested to pay fees for touring costs, performances or exhibitions carried out exclusively by student organizations or schools.

5. Funds are requested to support activities which are essentially for the religious socialization of the participants.

C. Applications for individual artist grants assistance will not be accepted for review when one of the following conditions exists:

1. Funds are requested by individuals for tuition or other fees related to the pursuit of an academic degree.

2. Funds are requested by individuals to develop curriculum plans, teaching materials or to teach classes.

3. Funds are requested by individual artists to engage in activities such as establishing an arts organization or a commercial venture.

D. Organizations which receive grants for general support may apply for grants in pilot programs offered by the State Arts Board if the organizations meet the stated eligibility requirements of such pilot programs.

E. The board may award all or most of the available grant funds at the first deadline of each fiscal year.

F. The board may give priority to one form of assistance over others during a fiscal year.

5 MCAR § 5.013 Public participation in agency matters.

A. Any applicant who disputes the decision of the board regarding his or her grant application on any issue other than artistic quality or merit may appeal the decision of the board. This appeal to the board will be conducted in the following way:

1. The applicant will submit a written request for consideration of his or her appeal within 45 days of notification of the board's decision on the application.

2. This request must state the reason(s) for the appeal.

3. The board will review the written request appealing its decision at its first meeting following the receipt of the request.

4. The board may take one of the following actions in response to the request for an appeal:

a. Determine that the applicant does not show sufficient cause for an appeal.

b. Direct the staff to investigate the applicant's appeal and bring a resolution of the claim to a subsequent meeting of the board.

c. Request that the applicant appear before the board at a subsequent meeting and address his or her appeal at that time.

d. Determine that the applicant does show sufficient cause for appeal and offer settlement to the applicant at the meeting.

e. Refer the appeal to a hearing examiner as a contested case.

5. Following the appeal to the board if the applicant continues to dis-

pute the decision of the board regarding his or her appeal from the board, or if the board refers the appeal to a hearing examiner, this appeal will be conducted as a contested case pursuant to the Administrative Procedures Act, Minn. Stat. §§ 15.0418-15.0422 and 15.052.

B. There is no right of appeal for disputes of decisions of the board and/or its advisory committees with respect to artistic quality or merit, artistic excellence and leadership, and the quality of the artistic activity of the work of an individual artist.