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## Working Capital Bridge Loan Guidelines



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### Purpose

The purpose of the Working Capital Bridge Loan is to provide a useful, no-interest financial tool to address demonstrated, short-term cash flow needs of small and mid-sized arts and cultural heritage organizations in Greater Cincinnati. The Working Capital Bridge Loan Fund, first established through a private gift, was expanded in 2009 by a donation from the Weathering the Economic Storm Fund, a collaboration of Cincinnati funders.

### Who May Apply

To be eligible for a Working Capital Bridge Loan, an organization must meet all of the following criteria:

- Have a 501(c)3 tax status for a minimum of three years
- Have a primary mission to provide programs or activities in areas directly concerned with arts or cultural heritage for the general public
- Be based in the Cincinnati-Middletown, OH-KY-IN MSA, which includes the following counties: Brown, Butler, Clermont, Hamilton and Warren Counties in Ohio; Boone, Bracken, Campbell, Gallatin, Grant, Kenton, and Pendleton Counties in Kentucky; and Dearborn, Ohio and Union Counties in Indiana
- Have at least one FTE of paid or contracted staff
- Have received funding from ArtsWave in the past 3 years
- Have an annual operating budget of less than \$2M
- Does not have an outstanding Working Capital Bridge loan or other overdue grant requirements
- Loan requests to ArtsWave for more than 3 consecutive years are unlikely to be considered without proper justification from the organization's leadership.

### Terms of Loan

Working Capital Bridge Loans will be interest-free and will not exceed \$10,000. Loans shall be repaid in full within 12 months. Organizations delinquent in paying the full loan back within 12 months will not be eligible to apply for support for support from ArtsWave for one year after the loan is repaid.

### Application

All application materials must be submitted via Submittable, ArtsWave's online grantmaking system. While completing your application, remember these tips:

- Be brief, clear and direct, focusing on what is most important.

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- We recommend that you prepare your responses offline in a word processing program and then copy and paste them into the appropriate sections of the online application.
  - Limit the use of bullets and other formatting in text fields.
  - Add [Impact@ArtsWave.org](mailto:Impact@ArtsWave.org) to your safe senders list to ensure that you receive all communications from the online grantmaking system.
  - Use one of the following compatible browsers: Chrome® v.22+, Firefox® version v.27+, Internet Explorer® v.8-10 (if enabled), Internet Explorer v.11, Safari® v.7+, or Edge®.

The application for the Working Capital Bridge Loan can be accessed using the following link:

<https://artswave.submittable.com/submit/150873/working-capital-bridge-loan>

The application consists of the following sections:

#### **A. Organization Information**

1. Tax ID
2. Organization Contact Information
3. Organizational Leadership
  - Chief Professional Officer
  - Board Chairperson/Treasurer
4. Contact for Loan

#### **B. Loan Request**

1. Reason loan is needed (up to 300 words)
2. Loan amount requested
3. Date when funds are needed
4. How loan funds will be used (up to 125 words)
5. Source of funds to be used for repayment of loan (up to 125 words)

#### **C. Financial Information**

1. Contact information for individual responsible for financial reporting and management
2. Availability of financial statements

#### **D. Attachments**

1. ArtsWave Working Capital Bridge Loan Financial Report Form (attachment, can be accessed via the [Apply for Funding page](#)) - Provide a one or two page financial report for revenues, expenses and operating bottom line which includes actuals for your most recently completed fiscal year, year-end projections for your current fiscal year, and a budget for the upcoming fiscal year. The percentage change columns between each of the years should also be

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- included along with explanations for variances of 10% or more for total revenue, total expenses and total operating bottom line.
2. Working Capital Bridge Loan Signature Page (attachment, can be accessed via the [Apply for Funding page](#)) - an authorizing official will certify that s/he is authorized to submit the application on behalf of the organization and that the information submitted in the application is true and correct to the best of his/her knowledge.

### Repayment Schedule

No payments will be due the first six months of the loan. Six monthly payments of 1/6 of the total loan amount will be due on the 1<sup>st</sup> day of the month beginning the seventh month of the loan.

### Key Dates

Application Deadline	Application Review	Funding Decision	Repayment Due
Rolling	As quickly as possible	Within 2 weeks of submission	Within 12 months

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## Appendix A: Instructions for Financial Reporting Form

The Financial Reporting Form is an Excel spreadsheet that can be found on the ArtsWave [website](#). When preparing the Financial Reporting form:

1. Use an accrual basis.
2. Do not consider temporarily restricted funds.
3. Refer to the definition of each revenue, expense and transfer line item to ensure consistent reporting from applicants.
4. Please provide your organization's name and the dates of your fiscal year at the top of the spreadsheet.
5. Please provide actuals for your organization's most recently completed fiscal year in Column A, projections for your organization's current fiscal year in Column B, and the Budget for organization's upcoming fiscal year in Column C. Be sure to indicate the year in each column.
6. For both columns labeled "% change," provide a written explanation when the Total Operating Revenues, Total Operating Expenses, Total Transfers, or Surplus (Deficit) varies by +/- 10% or more. This explanation should describe how the variance(s) relate to the organization's overall strategic plan.

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The following are descriptions/definitions of items which should be included in the respective lines of the financial information form:

**ArtsWave Grant(s)** - Total restricted and unrestricted grants received from ArtsWave for support of operations. This should include endowment income from ArtsWave's Alter and Mid-Sized Arts Organization endowments.

**Government Grants** - OAC, IMLS, City of Cincinnati, etc. grants (exclusive of services-required grants)

**Contributions/Sponsorships/Memberships** - Gifts and grants (exclusive of ArtsWave and government grants) from individuals, corporations and trusts/foundations; program and exhibit sponsorships; and memberships.

**Admission/Performance Income** - Ticket sales, admission fees, and performance commissions/fees.

**Tuition** - Fees charged for classes and/or camps.

**Sales to Public** - Gross sales of gift shop, facility rentals, concessions, catering, parking, etc.

**Investment/Endowment Income** - Investment income is income earned on checking, savings and investments of unrestricted operating assets (excluding unrealized gains and losses but

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inclusive of realized gains and losses). Endowment income is either the board approved spending rate or the actual dividend and interest income earned if an organization does not have a spending policy. Endowment income should include endowment income on Funds Held for the Benefit of or Funds Held in Trust by ArtsWave.

**Special Events Income, net** - All revenue and direct expenses related to fundraising events

**Artistic Expenses** - Includes artistic director, curators, individual performers and artists, exhibit contributors and speakers, guest lecturers, exhibit installation costs, contract services (including orchestra fees), artist lodging/housing, art transportation and art insurance. The salaries and benefits of individuals fulfilling these roles should be included.

**Programming** - Performance and non-exhibit related costs, such as set design and construction, costumes, non-capitalized publication costs, hall rental, stage crew, and educational programming costs. The salaries and benefits of individuals working on performances and exhibits should be included.

**Marketing/Promotion** - Includes all advertising, design and promotional expenses as well as the costs associated with visitor services and box office. The salaries and benefits of individuals working in advertising, design, promotion, visitor services and box office should be included.

**Development** - Includes all expenses the development office controls. The salaries and benefits of individuals working in the development department should be included.

**Merchandising/Concessions** - The direct cost of goods sold as well as all other costs related to the operations of the gift shop, facility rentals, concessions, catering, parking etc. These other costs would include the salaries/benefits of individuals working in these departments, rent of such facilities, supplies, management fees, etc.

**Facilities** - Operating costs of facilities and physical plant, such as utilities, general maintenance, maintenance personnel, office rent, security, grounds keeping and cleaning, etc. The salaries and benefits of individuals working in the facilities and physical plant area should be included.

**Administrative Expenses** - Costs of all administrative departments including finance, information technology and communications, personnel, governance and executive management. The salaries and benefits of individuals working in these departments should be included.

**Capital Improvements/Purchases with Operating Funds** - Transfer of unrestricted operating assets made for items that are additions to property, plant and equipment, net of restricted funding. Transfer should always be out of operations and therefore treated as an expense.

**Transfers (to)/from Board Designated Funds** - Transfer of unrestricted operating assets (i.e., unexpected gifts or bequests, current year surplus, etc.) for investment in board designated endowment or reserves. (These types of items would reduce the bottom line.) Transfer from board designated endowment or reserves to operating assets (i.e., special project or bridge funding, operating deficits, additional draws from endowment beyond the board approved spending rate, etc.) (These types of items would increase the bottom line.)

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## Quantitative Measurement Definitions

**Net surplus/ (deficit)** - Total operating revenues less total operating expenses plus total transfers.