

SALT LAKE COUNTY
COUNTY-WIDE POLICY No. 1031
ON
COUNTY OPTION FUNDING FOR ZOOLOGICAL, CULTURAL AND BOTANICAL
ORGANIZATIONS KNOWN AS THE ZOO, ARTS & PARKS PROGRAM

Background:

In November 1996, Salt Lake County voters approved a 1/10th of 1% increase in the local sales and use tax as a means of enhancing funding for local Zoological, Cultural and Botanical organizations and Recreational Facilities within Salt Lake County. Funds are to be distributed as consistent with Utah Code Ann. §59-12-701, et. seq.

Voters again overwhelmingly approved this initiative in 2004 with 71% of the vote.

To carry out the provisions of the act, the County has enacted Chapter 3.07, Salt Lake County Code of Ordinances (2001) (hereafter, "Ordinance").

Program Purpose:

The Zoo, Arts and Parks Program is committed to fair and equitable access to Zoo, Arts and Parks funding and educational resources. It will also work to increase the public awareness of the value of the Zoo, Arts and Parks program. The Zoo, Arts and Parks program exists to enhance financial support of Salt Lake County's zoological, cultural and botanical organizations through the imposition, collection, and distribution of a 1/10th of 1% county sales and use tax. The program provides adequate predictable support for the organizations within the Zoological, and Tier I categories and provides enhanced support for the organizations within the Tier II category.

1.0 Policy

Under the Zoo, Arts, & Parks (ZAP) program the Salt Lake County Council shall distribute the revenues collected annually as a result of the imposition of a sales and use tax designed to help defer costs for Salt Lake County's qualifying zoological, cultural and botanical organizations consistent with Utah Code Ann. §59-12-701, et. seq. and Chapter 3.07, Salt Lake County Code of Ordinances (2001).

This policy is not intended to define the policy nor procedures of the Recreational Facility and Parks portion of the ZAP sales and use tax.

The distribution shall be as follows:

1.5% of the revenues collected provide resources toward the administration of the program

Once the administrative revenues are calculated and removed from the equation, the revenues will be distributed as follows:

- 12.125% qualified Zoological facilities and organizations
- 48.875% 23 qualified Tier I organizations
- 9% qualified Tier II organizations
- 30% qualified Recreational facilities

Interest collected on the Zoo, Arts and Parks revenues will be distributed according to the same formula as specified above.

2.0 Definitions

The following definitions shall be used when referenced hereafter:

- 2.1 Act – Title 59, Chapter 12, Part 7, Utah Code Annotated and the definitions as provided in the act (see attached §59-12-702).
- 2.2 Advisory Board – the appointed volunteer board(s) that reviews applications and makes recommendations to the County Council.
- 2.3 Application Form – the document(s) specified by the Zoo, Arts and Parks Program of Salt Lake County for use by organizations which request funds pursuant to this Policy & Procedure, including any required attachments and supporting documents.
- 2.4 Certified Audit – an expression of opinion from a Utah licensed Certified Public Accounting firm that the overall financial statements of an organization fairly represent the financial position of the entity.
- 2.4 Certified Review – a Utah licensed certified accountant/firm performs inquiry and analytical procedures that provide a reasonable basis for expressing limited assurance that there are no material modifications that should be made to the financial statements for them to be in conformity with GAAP (Generally Accepted Accounting Principles). All disclosures required by GAAP must be included.
- 2.6 Municipal or county cultural council – is a cultural agency of a county, municipal, township or community council.
- 2.7 Non-profit – an organization or corporation that is not organized, created, operated or maintained to generate a profit or distribute income to its members, directors, officers, or corporation. Certification by the Internal Revenue Service as an organization qualifying under § 501(c)(3) of the Internal Revenue Code is required for any nonprofit organization to qualify for funds hereunder.
- 2.8 Notice to an Applicant – notice to an applicant required or provided for under this policy will be complete when notice is forwarded by regular mail to the name and address provided by the applicant in the application for ZAP funds.
- 2.9 Publicly owned – owned by a governmental agency.
- 2.10 Primary Purpose – the main goal, the fundamental intent, the core purpose or mission of an organization.

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- 2.11 Related Party Transactions – a business deal or arrangement between two parties who are joined by a special relationship prior to the deal. For example, a business transaction between a board member and the corporation, such as a contract for the board member’s company to perform services for the corporation, would be deemed a related-party transaction.
 - 2.12 Salary – includes all compensation, bonuses and monies paid to individuals as well as for other services provided to the organization by an employee.
 - 2.13 Qualifying Operating Expenses – this definition applies to 1) Zoological 2) Tier I organizations and 3) audited or reviewed Tier II organizations. An organization’s total expenditures for ongoing operations for an identifiable fiscal year as documented by official audit records (as allowed by Generally Accepted Accounting Principles GAAP) less the following non-qualifying expenditures:
 - 2.13.1 Capital construction expenses, including capital acquisition, improvements to real property or depreciation of real property;
 - 2.13.2 Payments into an endowment corpus;
 - 2.13.3 Expenditures for programs conducted outside of Salt Lake County;
 - 2.13.4 Fundraising expenses related to capital or endowment campaign;
 - 2.13.5 Repayments of loans and/or interest thereon;
 - 2.13.6 Tier I and Zoological rent payments in excess of 9% for 2006, 8% for 2007, 7% for 2008 and 6% for 2009 and beyond;
 - 2.13.7 All non-cash expenditures including in-kind services and products, all trades, exchange transactions and other similar non-cash consideration;
 - 2.13.8 Expenditures for direct political lobbying on all levels;
 - 2.13.9 Salary expenditures, for the purpose of qualified expenses, are capped at \$95,000 per individual for all functions, including bonuses and any other compensation for services rendered. This amount does not include retirement, health, social security or Medicare benefits. This amount may be indexed annually by the Advisory Boards;
 - 2.13.10 Grants – the distribution of funds to outside groups, institutions, organizations or other units;
 - 2.13.11 Gift shop and concession expenses: Inventory and related expenses classified as “cost of goods” are capped at 10% of total qualifying operating expenses and are only a qualified operating expense when and as sold;
 - 2.13.12 Bad Debt Expense;

- 2.13.13 Depreciation and amortization of any asset;
- 2.13.14 Non-deductible Tax penalties;
- 2.13.15 Unrelated Business Income Tax: any operating expenses that are utilized in calculating federal unrelated business income tax;
- 2.13.16 ZAP funding allocated in previous years;
- 2.13.17 Non-Salt Lake County activities and expenditures;
- 2.13.18 Related Party Transactions (Board): related party transactions over \$5,000 may be disallowed. The advisory board has the discretion to consider the following factors when deciding to allow or disallow a related party transaction: whether the organization certifies that it has adopted the Utah Nonprofit Association Standard of Ethics and satisfies Part III (B) of the Standards, whether the organization complied with the standards in approving the transaction, the minutes from the organization board meeting where the disclosure was made, and the details of the transaction and accompanying analysis as set forth in the disclosure to the organization's board. If the organization has adopted the standards then it must monitor related party transactions and reject ones that are not fair to the organization. In the event of any sale, lease or other transaction with a board member or affiliate, the costs and expenses incurred by the board member or affiliate shall be fully disclosed. If a board member holds a staff position in the organization, the salary of that staff position is a qualifying expenditure. Moreover, if there are related party transactions, the organization should include a copy of its conflicts of interest policies.
- 2.13.19 Related Party Transactions (Staff): related party transactions over \$5,000 may be disallowed. The advisory board has the discretion to consider the following factors when deciding to allow or disallow a related party transaction: whether the organization certifies that it has adopted the Utah Nonprofit Association Standard of Ethics and satisfies Part III (B) of the Standards, whether the organization complied with the standards in approving the transaction, the minutes from the organization board meeting where the disclosure was made, and the details of the transaction and accompanying analysis as set forth in the disclosure to the organization's board. If the organization has adopted the standards then it must monitor related party transactions and reject ones that are not fair to the organization. In the event of any sale, lease or other transaction with a staff member or affiliate, the costs and expenses incurred by the staff member or affiliate shall be fully disclosed. Moreover, if there are related party transactions, the organization should include a copy of its conflicts of interest policies.
- 2.13.20 Other expenses not related to organization's primary purpose.

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- 2.12 Qualifying Organization – a zoological, botanical or cultural organization as defined in Utah Code Ann. §59-12-701, et. seq. that:
 - 2.12.1 maintains non-profit status or is a municipal or county cultural council, and meets the purpose of the statute; and
 - 2.12.2 has a primary purpose that corresponds with the definitions for a zoological, cultural or botanical organization as described in the statute.

3.0 General Guidelines

- 3.1 Funding for this program comes from sales tax revenues that are collected by the State of Utah and distributed to Salt Lake County. To ensure more funds are not disbursed than received for the year, total actual fiscal year revenues cannot be disbursed until received by the County Treasurer, recorded by the County Auditor and reconciled by the County Mayor. At year-end, this process may require three to four months after the County’s fiscal year ends.
- 3.2 Qualifying organizations requesting funds must be a non-profit entity with 501(c)(3) status at the time of the application deadline or a municipal or county cultural council. A municipal or county cultural council is a cultural agency of a county, municipal, township or community council.
- 3.3 All qualifying organizations may apply once per year. If an organization applies for Tier I funding and is not determined to be one of the 23 funded Tier I organizations, their application will automatically be submitted for Tier II funding within the same annual funding cycle.
- 3.4 All Tier II organizations desiring and eligible for over \$15,000 to \$29,999.99 will be required to provide for the previous year at minimum a certified review.
- 3.5 All Tier II organizations desiring and eligible for \$30,000 to \$59,999.99 will be required to provide for the previous year a certified audit. All Tier II organizations desiring and eligible for \$60,000 or more will be required to provide a certified audit for the previous three years.
- 3.6 Zoological and Tier I organizations submitting an application for funds must calculate average annual expenditures based upon audited expenses for three fiscal years prior to application date.
- 3.7 The Zoo, Arts and Parks Program shall issue public notice detailing the date, time, and place of (1) availability of application forms, (2) deadline for filing completed applications for Zoo, Arts and Parks funding and (3) all meeting dates of the Advisory Boards.
- 3.8 An application must be accurate, complete and all supplemental information included prior to the deadline. Late submissions will not be accepted. It is not the responsibility

of the Zoo, Arts and Parks staff to contact the applicants regarding information missing from their application. In the interest of the program, staff may notify applicants of deficiencies. If this occurs all applicants must be treated equitably and notified of similar deficiencies.

- 3.9 Each qualifying organization must submit an evaluation report detailing how it expended the funds it received pursuant to these policies and procedures. The purpose of evaluation reports is to account for funds distributed. The report must be submitted by the deadline indicated. Zoo, Arts, and Parks funding may be withheld due to inadequate, incomplete, or non-submitted evaluation forms. The evaluation report must include a list of free days, if applicable, and how they were publicly announced.
- 3.10 Zoo, Arts and Parks funding may not be used for the following expenditures:
- 3.10.1 University and college programs primarily for the student body populations;
 - 3.10.2 Activities not available to the general public;
 - 3.10.3 Activities outside Salt Lake County;
 - 3.10.4 Expenses not related to zoological, cultural or botanical activities; including, but not limited to parades, pageants, fireworks, rodeo, sister-city programs, and non-cultural celebratory activities.
- 3.11 All Tier I and Tier II ZAP recipients must come from one of the following eligible disciplines;

Architecture: Historical Preservation, Service & Education;

Arts Education: Performances for Children/Students, Classroom or After-School Instruction, Teacher and Artist Training, Service/Information and Referrals;

Botanical: Botany is defined as the study and research, and fostering the appreciation, of plant life including gardens, flowers, ornamental shrubs, trees, and horticulture. The ZAP statute specifically requires that botanical organizations do all three of the following activities: Horticultural display, Botanical research and Community education;

Dance: Ballet, Dance Service Organization, Dance Training, Historical/Traditional, Interdisciplinary, Jazz, World (ethnic), Modern, and Tap;

Folk Arts: Folk arts are defined as the homegrown traditional artistic activities of groups that share the same ethnic heritage, language, occupation, religion or geographic area. They are also community and/or family-based arts that have endured through several generations that carry with them a sense of community aesthetic, and that demonstrate the highest degree of artistic excellence. Folk Arts include: Crafts, Stories/Oral History, and Traditional Performing Arts;

Humanities: Humanities are defined as promoting, and public education of, the branches of learning or study embraced by philosophy, literature, languages, and art criticism, but excluding theology, natural and social sciences. Humanities includes: Lecture Series and Symposium/Conference;

Interdisciplinary/Performance Art: An artistic hybrid, combining two or more disciplines within a single artwork or performance piece;

Literature: Press, prose, poetry or nonfiction, Literary Service Organization
Magazines and newspapers are ineligible;

Local Arts Agency: a municipal designated agency or non-profit corporation responsible for supporting local arts and culture activities including presenting, grant making, exhibitions, and other programs associated with artists and arts organizations in a community;

Media Arts: Animation, Digital Media, Graphic Design, Independent Film, Multidisciplinary (within media arts). *Video, Radio and TV broadcast and cable are ineligible;*

Multi-Disciplinary: Organizations whose activities encompass two or more distinct disciplines, e.g. music and visual arts;

Music: Blues, Classical, Contemporary/New Music, Historical/Traditional, Jazz, Opera World Music, Other;

Natural History: Natural history is defined as the study and research, and fostering the appreciation, of the material universe, including various types of plant and animal life, dinosaurs and other fossil life, rare gems, minerals and meteorites, human evolution, human cultures, and the origin of life. This also includes exhibitions related to human beings, the earth and its environment, but excludes aeronautics, space exploration, and science and technology. Natural history organizations should be primarily focused on public programs, as opposed to academic research;

Presenting Organizations: Organizations that curate programs and arrange public performances to help expand public appreciation of diverse art forms and reflect the community's interests. Presenting organizations typically assume all or part of the financial risk of the performances, and handle some or all of the production, marketing box office venue house management tasks associated with the performances. Presenters also sometimes commission new work, supporting artists to develop and perform this work;

Theatre: Classical/Revival, Contemporary/New Work, Musical Theater; or

Visual Arts: Ceramics, Digital, Gallery/Exhibition Space, Mixed Media, Museum, Painting/Drawing, Photography, Printmaking, Sculpture/Three-Dimensional.

For Tier II Only (History disciplines are not eligible for Tier I funding)

History: History is broadly defined as the study of the past, designed to record or explain past events. This includes the following kinds of organizations and activities: Heritage Preservation, Historical Museums, Historical Research, Historical Site and Living History Programs.

3.12 The ZAP program encourages all applicants to abide by professional and ethical nonprofit standards. The Utah Nonprofit Association (UNA) provides assistance to nonprofit organizations to achieve these standards. Organizations not a member of UNA, may be required to include a copy of their professional and ethical standards with their ZAP application.

4.0 Requests for Zoological, Tier I and Tier II Funds

- 4.1 The Zoo, Arts and Parks Program will issue public notice prior to the time the application becomes available each year. Notices will appear in local media and be sent to local zoological, cultural and botanical organizations.
- 4.2 Applications for funding under Utah Code Ann. §59-12-701, et. seq. and Chapter 3.07, Salt Lake County Code of Ordinances (2001) and these policies and procedures, will be provided by the Zoo, Arts, & Parks Program.
- 4.3 All requests for funds must be submitted on an official application or website provided by Salt Lake County's Zoo, Arts, & Parks Program.
- 4.4 Applications for funding must be submitted to Salt Lake County's Zoo, Arts and Parks Program.
- 4.5 The Zoo, Arts and Parks Program will provide a guide to be used by organizations submitting applications based on certified financial statements. When completing the application, organizations must refer to this guide for the current rules.
- 4.6 Applications must be submitted prior to the deadline identified within the body of the application. Applications received after the deadline will not be accepted.
- 4.7 The appropriate Advisory Board will review the application and accompanying material. Based upon the application and accompanying information, the Advisory Board shall make recommendations to the County Council as to the program funds to be distributed to each qualifying organization.
- 4.8 The Zoo, Arts and Parks Program shall provide notice to applying organizations regarding the Advisory Board's recommendations within thirty (30) days following the Advisory Board's final decision meeting.
- 4.9 Applicants shall be informed that if they are dissatisfied with the advisory board recommendation they may submit a written statement in accordance with Section 8 and 9 of this policy.
- 4.10 Twenty-one (21) days after notice to the applicants of an Advisory Board's recommendation or as soon thereafter as is convenient, Salt Lake County Council shall identify and approve qualifying organizations and the amounts or percentages granted.
- 4.11 Application fiscal worksheet definitions will be provided in the guide as indicated in Section 4.5 above.

5.0 Tier I Organizations

- 5.1 Tier I Advisory Board: As indicated in Salt Lake County Ordinance No. 1545 (Chapter 3.07.060F) the Tier I Advisory board consists of a group of seven individuals appointed

by the Salt Lake County Council and must include two members from the Utah Arts Council. To the extent practicable, Tier I Advisory Board members shall be evenly divided by council district. If possible, one member should be from the Salt Lake County Center for the Arts Advisory Board. The purpose of the Tier I Advisory Board shall be to advise the County Council on disbursement of funds received as a result of the imposition of the county sales and use tax pursuant to authority of Utah Code for the Zoological and Tier I process.

- 5.2 Tier I Purpose: Tier I funding should be utilized to build organizational capacity, to create stability and to provide adequate predicable support.
- 5.3 Competitive Process: Organizations that apply and qualify as a Tier I organization are not guaranteed funding. 48.875% of Zoo, Arts and Parks revenues will be distributed to no more than twenty-three (23) qualified Tier I organizations. Applications not recommended as one of the twenty-three (23) organizations will be submitted for the Tier II funding process.
- 5.4 Priority: When all else is equivalent, priority for Tier I funding will be considered...
 - 5.4.1 for those organizations that provide geographic, ethnic and other diversity on their governing and advisory boards and to; and
 - 5.4.2 organizations that provide exemplary community services through outreach and free or highly discounted programming.
- 5.5 Indexing qualifying expenditures: As indicated in State Statute, the Tier I Advisory Board may or may not choose to recommend to the County Council to index the qualifying expenditures based on the regional Consumer Price Index by July 1 of each year.
- 5.6 Tier I Criteria:
 - 5.6.1 Organizations must have qualifying expenditures of \$250,000 currently indexed at \$319,900 or more in average eligible expenses over a three-year period.
 - 5.6.2 Organizations must pass the Zoo, Arts, and Parks Program's minimum financial health test on a regular basis. Weak or negligent financial management could be grounds for exclusion.
 - 5.6.3 Stability of the 23 organizations is an important factor in Tier I funding.
 - 5.6.4 These 23 organizations must have a preponderance of activities that are within their eligible disciplines and not just have some element of cultural, or botanical activities.

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- 5.6.5 An organization will not qualify to receive Zoo, Arts and Parks Tier I funds unless it has its headquarters, a significant presence and manages/presents in Salt Lake County.
 - 5.6.6 Tier I organizations must abide by accepted nonprofit ethical and professional standards. This includes adopting and implementing the Utah Nonprofits Association or similar ethical standards.
 - 5.7 Tier I Application Process
 - 5.7.1 The Advisory Board will review the application and accompanying material. Based upon the application and accompanying information, the Advisory Board shall make recommendations to the County Council as to the percentage of program funds to be distributed to each qualifying organization.
 - 5.7.2 All Tier I organizations submitting application for funds will be required to provide three years of detailed certified audit reports by a Utah licensed certified public accountant/firm. Tier I organizations may be required to provide a narrative description clarifying their expenditures.
 - 5.7.3 Fiscal information both within the application and required as attachments will be reviewed by an accountant prior to the Advisory Board's meeting identifying qualifying organizations. The accountant will review the application material for accuracy, consistency, and compliance with fiscal requirements under the Zoo, Arts, & Parks Program.
 - 5.7.4 The Tier I Advisory Board shall present its recommendations to the County Council in written and electronic form detailing qualifying groups;
 - 5.7.4.1 the percentage each qualifying group should receive based on certified expenditures;
 - 5.7.4.2 which, if any, groups were disqualified or denied funding and why the disqualification or denial occurred;
 - 5.7.4.3 what funding level appeal information had been received and the Advisory Board's subsequent actions with regard to each funding level appeal.
 - 5.7.5 Any organization dissatisfied with the Advisory Board's final recommendation may submit a written statement to the Council regarding the recommendations in accordance with Section 8 of this policy.
 - 5.8 Upon receipt of the Tier I Advisory Board's recommendations, the Salt Lake County Council shall identify and approve qualifying organizations per Utah Code Ann. §59-12-701, et, seq. and Chapter 3.07, Salt Lake County Code of Ordinances, (2001) and these policies and procedures. A list of qualifying organizations and the percentage of funds

each is to receive shall be presented by the Salt Lake County Council at a public meeting.

- 5.9 A Tier I organization may qualify for up to 35% of its total qualifying expenditures as defined in the application and these policies and procedures.
- 5.10 The Salt Lake County Council encourages to the extent practicable, the board members of all qualifying Tier I organizations be geographically balanced such that members reside in as many County Council districts as possible.

6.0 Tier II Organizations

- 6.1 Tier II Advisory Board: As indicated in Salt Lake County Ordinance No. 1545 (Chapter 3.07.060), the Tier II Advisory Board consists of a group of nine individuals composed of appointees by Salt Lake County Council including at least one current member of Salt Lake County Center for the Arts Advisory Board, two Salt Lake County Mayors and six members at-large. To the extent practicable, the members shall be evenly divided by County Council district. The purpose of the Advisory Board shall be to advise the County Council on disbursement of funds received as a result of the imposition of the county sales and use tax pursuant to authority of Utah Code for the Tier II process.
- 6.2 Tier II Purpose: Tier II funding should be utilized to build organizational capacity, create stability and to enhance Salt Lake County's cultural offerings and community. It also strives to encourage county municipalities, townships and community councils to increase their funding of their local arts councils and cultural organizations in their communities.
- 6.3 Competitive Process: Organizations that apply and qualify as a Tier II organization are not guaranteed funding. The Tier II Zoo, Arts and Parks process is a competitive grant process. Funding is based on the organizations clear cultural or botanical purpose, community/public purpose, organizational stability, financial accountability, and community served.
- 6.4 Priority: Tier II funds should not be the sole or major source of funding received by applicant organizations. Priority will be given to organizations that can solicit and receive matching funds. In-kind contributions will be considered. Priority will be given to organizations that can demonstrate a strong connection to the community, have a substantial track record and show a stable history.
- 6.5 Allocations: The Tier II Advisory Board may choose to allocate a percentage of the funding to various classes of applications such as groups that fall out of Tier I, local arts councils, groups with audits, groups without audits, etc. This may be modified annually based on revenues available and the number of organizations that apply. No Tier II applicant may receive more than 7% of the total amount of funding allocated annually to the Tier II process. The Advisory Board may choose to recommend that new organizations receive a minimal amount, established by the Advisory Board, until the

organization can provide evaluation reports or certified reviews or audits to justify more substantial funding.

- 6.6 An organization will not qualify to receive Zoo, Arts and Parks Tier II funds from Salt Lake County unless it has a significant presence and manages and presents in Salt Lake County.
- 6.7 Tier II Application Process:
 - 6.7.1 The Advisory Board will review the application and accompanying material. Based upon the application and accompanying information, the Advisory Board shall make recommendations to the County Council as to the percentage or amount of program funds to be distributed to each qualifying organization.
 - 6.7.2 All Tier II organizations desiring and eligible for amounts over \$15,000 to \$29,999.99 will be required to provide at minimum a certified review of its most recently completed fiscal year by a Utah licensed certified public accountant/firm. Tier II organizations desiring and eligible for \$30,000 to \$59,999.99 must submit an audited financial statements of its most recently completed fiscal year. Tier II organizations desiring and eligible for \$60,000 or more must submit three years of audited financial statements, including its most recently completed fiscal year. Organizations with three years of audited financial statements desiring and eligible for \$60,000 or more will be held to the Tier I 35% rule in Section 5.9.
 - 6.7.3 Salt Lake County's Zoo, Arts and Parks Program will provide notice to applying organizations regarding the Advisory Board's recommendations as soon as reasonably possible after the Tier II Advisory Board's final recommendation meeting.
 - 6.7.4 The Tier II Advisory Board shall present its recommendations to the County Council in written and electronic form detailing qualifying groups;
 - 6.7.4.1 the amount or percentage each qualifying group should receive based on verified expenditures; and
 - 6.7.4.2 which, if any, groups were disqualified or denied funding and why the disqualification or denial occurred.
 - 6.7.5 Any organization dissatisfied with the Advisory Board's final recommendation may submit a written statement to the Council regarding the recommendations in accordance with Section 9 of this policy.
 - 6.7.6 Upon receipt of the Tier II Advisory Board's recommendations, the Salt Lake County Council shall identify and approve qualifying organizations per Utah Code Ann. §59-12-701, et. seq. and Chapter 3.07, Salt Lake County Code of Ordinances (2001) and these policies and procedures. A list of qualifying

organizations and the amounts or percentage of funds each is to receive shall be presented by the Salt Lake County Council at a public meeting.

- 6.7.7 The Advisory Board may recommend using unexpended funds from one fiscal year in another fiscal year.

7.0 Zoological

- 7.1 Advisory Board: The Tier I Advisory Board will oversee the Zoological application process.
- 7.2 Zoological Purpose: Zoological funding should be utilized to build organizational capacity, fund zoological facilities, to create stability and to provide adequate predictable support.
- 7.3 Competitive Process: Organizations that apply and qualify as a Zoological organization are not guaranteed funding. 12.125% of ZAP tax revenue collected by the county shall be distributed by the County Council to support no more than three zoological facilities and organizations located within the county. 94.5% of that revenue will be distributed to zoological facilities and organizations with average annual operating expenses of \$2,000,000 or more and 5.5% of that revenue will be distributed to zoological facilities and organizations with average annual operating expenses of less than \$2,000,000.
- 7.4 Priority: When all else is equivalent priority, for Zoological funding will be considered...
 - 7.4.1 for those organizations that provide geographic, ethnic and other diversity on their governing and advisory boards and to; and
 - 7.4.2 zoological organizations that provide exemplary community services through outreach and free or highly discounted programming.
- 7.5 Zoological Funding Criteria:
 - 7.5.1 An organization will not qualify to receive Zoo, Arts and Parks Zoological funds unless it has its headquarters, a significant presence and manages/presents in Salt Lake County and serves an audience of 75,000 or more persons annually.
 - 7.5.2 Organizations must pass the Zoo, Arts, and Parks Program's minimum financial health test on a regular basis. Weak or negligent financial management could be grounds for exclusion.
 - 7.5.3 Zoological organizations must abide by accepted nonprofit ethical and professional standards. This includes adopting and implementing the Utah Nonprofits Association or similar ethical standards.

- 7.6 Zoological Application Process:
- 7.6.1 The Tier I Advisory Board will review the application and accompanying material. Based upon the application and accompanying information, the Advisory Board shall make recommendations to the County Council as to each qualifying organization.
 - 7.6.2 All Zoological organizations submitting application for funds will be required to provide three-years of detailed certified audit reports by a Utah licensed certified public accountant/firm. Zoological organizations may be required to provide a narrative description clarifying their expenditures.
 - 7.6.3 Fiscal information both within the application and required as attachments will be reviewed by an accountant prior to the Advisory Board's meeting identifying qualifying organizations. The accountant will review the application material for accuracy, consistency, and compliance with fiscal requirements under the Zoo, Arts, & Parks program.
 - 7.6.4 The Tier I Advisory Board shall present its recommendations to the County Council in written and electronic form detailing qualifying groups;
 - 7.6.4.1 the percentage of each qualifying group;
 - 7.6.4.2 which, if any, groups were disqualified or denied funding and why the disqualification or denial occurred;
 - 7.6.4.3 what appeal information had been received and the Advisory Board's subsequent actions with regard to each appeal.
 - 7.6.5 Any organization dissatisfied with the Advisory Board's final recommendation may submit a written statement to the Council regarding the recommendations in accordance with Section 8 of this policy.
- 7.7 Upon receipt of the Tier I Advisory Board's recommendations, the Salt Lake County Council shall identify and approve qualifying organizations per Utah Code Ann. §59-12-701, et, seq. and Chapter 3.07, Salt Lake County Code of Ordinances, (2001) and these policies and procedures. A list of qualifying organizations and the percentage of funds each is to receive shall be presented by the Salt Lake County Council at a public meeting.
- 7.8 Zoological Defined: As stated in Salt Lake County Ordinance No. 1577 (Section 3.07.06K) and in addition to the definitions found in Utah Code §59-12-702 and a Distribution of Revenues found in §59-12-704 (1)(b), to be eligible to receive a portion of the Zoo, Arts and Parks revenue as a Zoological facility or organization, such facility or organization must be accredited or have been accredited by the American Zoo and Aquarium Association within the last five years. If any zoological facility or organization that has been accredited by the American Zoo and Aquarium Association, loses the

accreditation, said facility or organization will provide, with its application, an explanation for the loss of accreditation and written identification of curative measures taken by the facility or organization to address the reasons for the loss of accreditation. The Tier I advisory board may consider the explanation and identification in awarding ZAP funds to said zoological facility or organization.

- 7.9 An aquarium that does not meet the definition of Zoological organization or facilities is considered a “natural history” organization and eligible to receive a portion of the Zoo, Arts and Parks revenue as a “cultural organization” for Tier I or Tier II funding.
- 7.10 The Salt Lake County Council encourages that to the extent practicable, the board members of all qualifying organizations be geographically balanced such that members reside in as many County Council districts as possible.

8.0 Tier I & Zoological Reconsideration Process

- 8.1 Organizations dissatisfied with a funding level decision may request a reconsideration to the Tier I Advisory Board only in situations where the applicant believes that the Zoo, Arts, and Parks Program policies and procedures were not followed.
- 8.2 Funding level requests shall be directed to the Tier I Advisory Board in written form within fourteen (14) days of receiving funding level notice.
- 8.3 In cases where a funding level request has been received by the Advisory Board, the Board will convene to consider the request prior to making recommendations to the County Council.
- 8.4 Zoological or Tier I organizations dissatisfied with the recommendation by the Advisory Board, shall be entitled to submit a written statement directly to the County Council no later than fourteen (14) days after notification of the Advisory Board decision.
- 8.5 If the County Council disagrees with the Advisory Board recommendation of the twenty-three (23) qualifying Tier I organizations or the number of Zoological organizations, it is the Council’s responsibility to determine the final list of Tier I and Zoological qualifying organizations.
- 8.6 Applicants may not present to the County Council information that has not been previously submitted to the Advisory Board. Comments made to the County Council with respect to the Advisory Board’s recommendation may not contain information not presented to the Advisory Board.

9.0 Tier II Reconsideration Process

- 9.1 Tier II funds are not an entitlement, and the filing of an application for Tier II funds, no matter how complete or comprehensive, is not a guarantee that any funds will be awarded. As such, it should be clearly understood that the award of Tier II funds is in

the nature of a competitive grant, and is awarded on the basis of merit and funds availability of which from year to year there is no guarantee. The funds are awarded as much as possible on objective factors.

- 9.2 Denial of funding or funding at a lower level than anticipated or desired should not be construed as a judgment on the particular merits of a specific organization or applicant. It may be that the applicant represented a cultural activity for which there were a number of other competing applicants, and the level of funding for a particular cultural activity was already met or exceeded. Applicants that were denied or received less than desired funding are encouraged to apply again during the next funding cycle. Applicants are encouraged to consult staff if they have questions about completing the application or the application procedure. It is the sincere desire of the ZAP program to fund as many deserving organizations as is feasibly possible.
- 9.3 The recommendation of the Tier II Advisory Board is not subject to reconsideration by the Tier II Advisory Board.
- 9.4 Tier II organizations dissatisfied with the recommendation by the Advisory Board, shall be entitled to submit a written statement directly to the County Council no later than fourteen (14) days after notification of the Advisory Board decision.
- 9.5 Applicants may not present to the County Council information that has not been previously submitted to the Advisory Board. Comments made to the County Council with respect to the Advisory Board's recommendation may not contain information not presented to the Advisory Board.

10.0 Distribution of Funds

- 10.1 Approved facilities and organizations will be required to enter into a contractual agreement with Salt Lake County prior to receiving funds. Said contracts must be executed by the approved facility or organization and returned to the Salt Lake County Zoo, Arts & Parks Program within a reasonable period of time as set by the program. If any organization fails to return the contract, executed as required hereunder, within said time, it will not receive payments and may lose its qualification for funding in that cycle. These contracts shall include a clause that allows Salt Lake County to verify application, evaluation and use of funds information if requested.
- 10.2 No checks will be distributed until contracts are fully executed.
- 10.3 Funds under this program will be disbursed based upon the County's fiscal year. All funding will be based on actual sales and use tax receipts as received by the County Treasurer, recorded by the County Auditor and reconciled by the County Mayor.
- 10.4 The County Council shall make the final determination as to the distribution of revenue among qualifying facilities and organizations in accordance with Utah Code Ann. §59-12-701, et. seq. and Chapter 3.07, Salt Lake County Code of Ordinances (2001) and these policies and procedures.

- 10.5 Funds disbursed to qualifying organizations will be accounted for in a Special Revenue Fund and disbursed through accounts within Salt Lake County's Zoo, Arts, and Parks Program.
- 10.6 Any past due balances owed to a County facility or agency may first be deducted before any distribution of ZAP funding is made to a qualifying organization.
- 10.7 If an organization requests funding for a specific program or general operations and the ZAP award is less than requested, the ZAP Program assumes the organization will accommodate their programming to the funding amount awarded. If organizations find they must change their application scope more drastically, such as moving an event to a different time period than originally applied for, the organization may be allowed to modify their applications if they promptly inform the ZAP Program of their difficulties, through written correspondence, and include how they propose to deal with the challenges that they have described in their request. The ZAP Program will review the request and notify the recipient in a timely manner.

11.0 Advisory Board Conflict of Interest Statement & Disclosure

- 11.1 All Salt Lake County employees, elected and appointed officials, and volunteer board members must abide by two significant statutes in Utah law which prohibit, or require disclosure of, certain actual or potential conflicts of interest between their public duties and private business interests. Board members shall complete all required County documentation on an annual basis.
- 11.2 The Tier I and Tier II Advisory Boards are aware that one of its most important duties is to consistently review the disbursement of public monies in support of zoological, cultural and botanical organizations.
- 11.3 Salt Lake County realizes that this requires the participation of persons who are recognized for their expertise in the arena of zoological, cultural or botanical activities and may be professionally engaged, both as members of the community and as members of the review panel.
- 11.4 Tier I and Tier II Advisory Boards should be mindful of possible conflicts of interest, or situations that may be perceived as conflicts by the public.
- 11.5 The interests of the Zoo, Arts and Parks Program require a maximum contribution from leaders in the field: therefore, Advisory Board members should not disqualify themselves from participation in zoological, cultural or botanical activities because of Advisory Board membership.
- 11.6 Serving on a Zoo, Arts, and Parks recipient's board is by definition a conflict (even though the individual may not receive any monetary compensation). This conflict will not disqualify a person from serving on a Zoo, Arts, and Parks advisory board.

- 11.7 Advisory Board members should be alert to avoid any action which could possibly be interpreted as a use of Advisory Board membership to further their own interests or those of an organization with which they are affiliated. Accordingly, the following principle shall apply to all advisory board meetings:

Advisory Board members must disclose their affiliation with any organization under discussion. All board members must disclose affiliation and conflict of interest prior to discussion and funding recommendations. Those having a conflict of interest may take part in the discussion as suppliers of information but may not advocate a point of view nor vote on the issue in which they have a conflict.

12.0 Credit to County in all Published Material

- 12.1 Each qualifying organization will use their best efforts to ensure that all brochures, news releases, programs, publications, and other printed material bear the logo identifying an organization's use of Zoo, Arts, & Parks funding where projects, performances, or other activities are funded in full or part by Salt Lake County's Zoo, Arts & Parks program.
- 12.2 The Zoo, Arts, and Parks logo should not be produced smaller than 1 inch by 1 inch.
- 12.3 Each botanical, cultural or zoological organization that receives monies from Salt Lake County's Zoo, Arts and Parks program and that periodically offers a waived or discounted admission fee shall make such waived or discounted admission available to all residents of the state. Recipients of Zoo, Arts and Parks funding that provide waived or discounted admission must publicly announce (in some manner) that this has been sponsored by the Salt Lake County Zoo, Arts and Parks Program (using this or similar wording).

Addendum

Utah State Code 59-12-702. Definitions.

As used in this part:

- (1) "Administrative unit" means a division of a private nonprofit organization or institution that:
 - (a) would, if it were a separate entity, be a botanical organization or cultural organization; and
 - (b) consistently maintains books and records separate from those of its parent organization.
- (2) "Botanical organization" means:
 - (a) a private nonprofit organization or institution having as its primary purpose the advancement and preservation of plant science through horticultural display, botanical research, and community education; or
 - (b) an administrative unit.
- (3) "Cultural facility" is as defined in Section 59-12-602.
- (4) (a) "Cultural organization":
 - (i) means:
 - (A) a private nonprofit organization or institution having as its primary purpose the advancement and preservation of:
 - (I) natural history;

- (II) art;
- (III) music;
- (IV) theater; or
- (V) dance; and
- (B) an administrative unit; and
- (ii) includes, for purposes of Subsections **59-12-704**(1)(d) and (6) only:
 - (A) a private nonprofit organization or institution having as its primary purpose the advancement and preservation of history;
 - (B) a municipal or county cultural council having as its primary purpose the advancement and preservation of:
 - (I) history;
 - (II) natural history;
 - (III) art;
 - (IV) music;
 - (V) theater; or
 - (VI) dance.
 - (b) "Cultural organization" does not include:
 - (i) any agency of the state;
 - (ii) except as provided in Subsection (4)(a)(ii)(B), any political subdivision of the state;
 - (iii) any educational institution whose annual revenues are directly derived more than 50% from state funds; or
 - (iv) in a county of the first or second class, any radio or television broadcasting network or station, cable communications system, newspaper, or magazine.
 - (5) "Institution" means any of the institutions listed in Subsections **53B-1-102**(1)(b) through (l).
 - (6) "Recreational facility" means any publicly owned or operated park, campground, marina, dock, golf course, playground, athletic field, gymnasium, swimming pool, trail system, cultural facility, or other facility used for recreational purposes.
 - (7) "Rural radio station" means a nonprofit radio station based in a county of the third, fourth, fifth, or sixth class.
 - (8) In a county of the first class, "zoological facilities" means any public, public-private partnership, or private nonprofit buildings, exhibits, utilities and infrastructure, walkways, pathways, roadways, offices, administration facilities, public service facilities, educational facilities, enclosures, public viewing areas, animal barriers, animal housing, animal care facilities, and veterinary and hospital facilities related to the advancement, exhibition, or preservation of mammals, birds, reptiles, or amphibians.
 - (9) (a) (i) Except as provided in Subsection (9)(a)(ii), "zoological organization" means a public, public-private partnership, or private nonprofit organization having as its primary purpose the advancement and preservation of zoology.
 - (ii) In a county of the first class, "zoological organization" means a nonprofit organization having as its primary purpose the advancement and exhibition of mammals, birds, reptiles, or amphibians to an audience of 75,000 or more persons annually.
 - (b) "Zoological organization" does not include any agency of the state, educational institution, radio or television broadcasting network or station, cable communications system, newspaper, or magazine.

Amended by Chapter 186, 2004 General Session

APPROVED and PASSED this 10th day of March, 2009.

SALT LAKE COUNTY COUNCIL

Joe Hatch, Chair

ATTEST:

Sherrie Swensen, County Clerk

APPROVED AS TO FORM:

District Attorney's Office Date