

December 1, 2010

[Contact Name, Title]  
[Organization]  
[Address]  
[City, State, Zip]

Dear [Contact],

The Reading Musical Foundation is now receiving Applications for Grants to be paid during the Foundation's fiscal year beginning July 1, 2011, and ending June 30, 2012.

Previous applicants are aware of the Foundation's shift towards more program (restricted) funding. All applicants should anticipate a heightened increase in restricted grants allocated. Restricted grants may be at the request of the organization, or at the recommendation of RMF's Finance Committee. For those organizations requesting program funding, please include a separate letter that details the following:

- *Amount requested (include total program budget noting all income sources and expenditures)*
- *Description/purpose of program*
- *How the restricted grant will fulfill your organization's mission **and** RMF's mission*
- *Detail the measurable targets of success*
- *Evaluation process*

Other procedures remain the same as last year. Your organization may submit financial information in the form in which your board is accustomed to reviewing it. For 2011-2012 we are asking for copies of your most recently filed 990, if applicable to your organization. No audited financial statements are required unless you must have them for other purposes. In that event, we ask for copies, with all notes, management and other letters that accompanied your audit report. In all events, you must submit the **Financial Questionnaire**, which elicits specific financial information we consider relevant to all organizations and most projects we fund.

The funds RMF has available to appropriate each year are a direct function of the investment performance of its endowment and the success of its annual campaign. RMF's funding criteria remains the same as the community becomes more conscious of constraints in resources: We will continue to seek the greatest economy in administering all of the Foundation's programs and demand the same from organizations that seek public funds from RMF. Although we cannot predict the success of our campaign or our investment income, we feel it safe to estimate that there will not be any significant increase in the total amount available for appropriations in the next fiscal year.

Please read this letter and forms carefully, and address questions to us early in the process.

The Application for Grant consists of the following forms completed accurately and signed, where a signature is required by the form:

- ***General Questionnaire and List of Required Supporting Materials;***
- ***Questionnaire Addressing Strategic Awareness;***
- ***Questionnaire Addressing Governance Practices;***
- ***Financial Questionnaire;***
- ***Endowment Questionnaire;***

**and** the following documentation:

- all documents identified in the ***General Questionnaire and List of Required Supporting Materials***, and

- a copy of the matrix following the *Questionnaire Addressing Strategic Awareness*, completed as directed in the *Questionnaire* for *each* of your organization's *major* activities and programs.

Because RMF is a public charity, all materials submitted to it are open to public inspection.

We will notify you if RMF's Finance Committee intends to meet with your organization's chief executive officer and chief financial officer to discuss your organization's Application for Grant. ***If RMF made a grant to your organization for the current fiscal year that is restricted as to purpose, be prepared to discuss the outcomes of the grant at that meeting.***

We remind you of the following points that have prompted questions in the past:

1. Whether or not "based" in Berks County, only music organizations that perform primarily in Berks County are eligible for funding by RMF.
2. The fact that RMF previously awarded funds for the same or a similar purpose is not relevant to the determination of a later Application for Grant. Every fiscal year is a new year.
3. RMF may restrict or impose conditions on grants, whether or not the applicant requests that.
4. The success of RMF's public campaign directly impacts the availability of funds for award. In short, ***your organization's support of RMF's campaign this season is directly relevant to the total amount RMF has available to appropriate.***
5. Awards will reflect the relative importance RMF's Board of Trustees places upon the elements of RMF's mission. Those priorities will change from time to time.

**The absolute deadline for all application materials is *Friday, February 25, 2011 at 5 p.m.* A postmark on or before that date with delivery thereafter will not be sufficient. We suggest that you hand-carry your Application for Grant to RMF's office to ensure delivery by the specified deadline. RMF will not review any Application for Grant received after the deadline.**

Sincerely,

Mark A. Hornberger,  
Chair

**GENERAL QUESTIONNAIRE AND LIST OF REQUIRED SUPPORTING MATERIALS**

*(Required)*

**General Questionnaire**

(Continue responses on separate sheets, if necessary.)

1. RMF makes both unrestricted and restricted grants. Set forth the amount of *unrestricted* funds for which you are applying: \$ \_\_\_\_\_.

If you are applying for a *restricted* grant, either in addition to an unrestricted grant or instead of one, that request should be set forth in a separate letter that clearly identifies the amount requested, the purpose for which it is requested, and how the restricted grant will fulfill your organization's mission *and* RMF's mission. Additionally, please include a program budget and description of your program evaluation process, which should include measurable targets of success. An example of a restricted grant is one to provide scholarship assistance to participants in your programs. *A request for a restricted grant is due with this application.*

Set forth the amount of *restricted* funds for which you are applying: \$ \_\_\_\_\_.

2. Describe your principal activities.
3. List the ten largest sources of funds for your current fiscal year by identifying the source and amount provided:

	<u>Name</u>	<u>Amount</u>
1)		
2)		
3)		
4)		
5)		
6)		
7)		
8)		
9)		
10)		

4. List the members of your Board of Directors (indicate officers and committee chairs) or other governing body and committees.
5. What are the expectations of your (a.) staff and (b.) board to promote RMF?
6. Identify by name, title, physical address, email address and business telephone number the person whom RMF shall contact with requests for additional information.

**List of Required Supporting Materials**  
(Copies are acceptable)

- 1) Your bylaws, as most recently amended, and the date on which they were last revised.
- 2) Exempt organization determination letter issued by the Department of the Treasury, Internal Revenue Service, and all notifications of any changes, or proposed changes, in your federal income tax status.
- 3) Proof of current registration with the Pennsylvania Department of State, Bureau of Charitable Organizations.
- 4) If you account on a **cash basis**, then
  - Statements of Financial Position (balance sheet) and Activities (income statement) prepared as of your fiscal year most recently ended, and if that fiscal year ended before December 1, 2009, a balance sheet prepared as of December 31, 2009 *or later* as well;
  - a *pro forma* (that is, projected) balance sheet and income statement for the fiscal year for which you are applying for a grant and for the next (second) fiscal year; and
  - **if** financial statements for your fiscal year most recently ended were audited, a complete copy of the audit report, including notes to financial statements, and the management letter and any other letters issued by your auditors.
  - **If applicable to your organization, your completed 2009 990 Form**
- 5) If you account on an **accrual basis**, then
  - Statements of Financial Position (balance sheet), Activities (income statement) and Cash Flows prepared as of your fiscal year most recently ended, and if that fiscal year ended before December 1, 2009, a Statement of Financial Position prepared as of December 31, 2009 *or later* as well;
  - *pro forma* (that is, projected) balance sheets, income statements and statements of cash flows for the fiscal year for which you are applying for a grant and for the next (second) fiscal year; and
  - **if** financial statements for your fiscal year most recently ended were audited, a complete copy of the audit report, including notes to financial statements, and the management letter and any other letters issued by your auditors.
  - **If applicable to your organization, your completed 2009 990 Form**
- 6) RMF form entitled “*Financial Questionnaire*,” completed and signed.
- 7) **No more than three** of your organization’s campaign brochures, concert programs, news releases or other documents that best describe the finest of your organization’s activities or programs during the last year.
- 8) RMF form entitled “*Questionnaire Addressing Strategic Awareness*,” completed and signed.
- 9) RMF form entitled “*Questionnaire Addressing Governance Practices*,” completed and signed.
- 10) If you received a grant from the Foundation for the current fiscal year, a Grant Evaluation Report must be completed, signed and submitted to the Foundation, at the Foundation’s office, no later than **Friday, April 15, 2011 at 5 p.m. This is the only document that may be submitted after February 25, 2011.**
- 11) If you maintain an endowment *or* your organization benefits from an endowment maintained elsewhere, RMF’s form of “*Endowment Questionnaire*.”



10. If so, do you know the elements of that mission? Yes / No [Circle one.]
11. When did you last poll your audience, or any other substantial part of the Berks County community, in an effort to identify the music they enjoy and the extent to which your organization provides it?
12. In what other respects does input from your audience or the Berks County community determine the programming of your concerts?

***Instructions:*** *The next page is a form of matrix on which we ask you to portray how each of your most significant activities and programs satisfies the four elements of RMF's current mission. Examples of significant activities and programs include "subscription concert series," "youth concerts," "annual concert" or "summer camp for participants."*

***First, identify such activities or programs. Second, make sufficient copies of the attached blank matrix to complete one for each activity or program. Third, label one copy with the name of each activity or program. Last, complete the matrix by describing how the activity or program fulfills each of the four RMF mission criteria that are listed and defined in the left column. It is highly unlikely that each of your activities or programs will fulfill all four mission criteria.***

\_\_\_\_\_  
Signature of Person Completing This Form

\_\_\_\_\_  
Date

\_\_\_\_\_  
Title of Person Completing This Form

The mission of the Reading Musical Foundation is to promote and facilitate music education and appreciation in order to preserve and develop musical experience and culture within our Berks County Community. We will provide organizational and financial support for activities and events that lead to the education and development of both artists and audiences. We will carry out our mission through the application of sound principles in management and fiscal stewardship.

<b>PROGRAM/ACTIVITY→ RMF MISSION CRITERION↓</b>	
<p style="text-align: center;"><b><u>Preservation</u></b></p> <p style="text-align: center;">Activities designed to retain specific musical forms, styles and literature over time</p>	
<p style="text-align: center;"><b><u>Development</u></b></p> <p>Evolution of the art form by promoting: excellence in musicianship, leadership and conducting, creative and challenging programming, ensemble, composition, creative arranging and concert venues; the public’s ability and willingness to appreciate music; and efficient achievement of the organization’s mission</p>	
<p style="text-align: center;"><b><u>Education</u></b></p> <p>Enhancement of music appreciation in any manner that is likely to further interest in music as an art form</p>	
<p style="text-align: center;"><b><u>Musical Experience</u></b></p> <p>Performance, including concerts and rehearsals, for the entertainment, enjoyment and appreciation of an audience, including the performers themselves</p>	

**INSTRUCTIONS:**

- Complete one sheet for each of the organization’s major programs or activities.
- Identify the program or activity at the top of the empty column (for example, “subscription concert series,” “master classes” or “summer camp for youth”).
- In the empty block to the right of each RMF Mission Criterion, describe succinctly how the program or activity fulfills that element of RMF’s mission. RMF anticipates that some blocks might be empty.

Example: A subscription concert series in which certain musicians offer free master classes for youth *might* preserve music of a certain genre simply because that music is performed, serve an educational purpose for youth, develop the musicians on-stage by challenging them to perform difficult music at the hands of a skillful conductor, and promote the musical experience by providing the community with a real-time performance that is not otherwise available.

## QUESTIONNAIRE ADDRESSING GOVERNANCE PRACTICES

*(Required)*

RMF requires all organizations, except governmental units, to comply with good governance practices. RMF did not invent such practices. The following questionnaire elicits those practices. RMF will consider, among other things, the size of the organization's budget, staff and Board, and the scope of the organization's activities, in applying the criteria noted as "required" below.

*The term "Board" means your organization's governing body, by whatever name.*

1. The governing body consists of \_\_\_\_\_ individuals on this date.
2. How many members of the Board on this date have expertise in business or finance? \_\_\_\_\_
3. How many members of the Board are also paid employees of the organization on this date? \_\_\_\_\_  
***RMF requires that a majority of the Board be volunteers who are not paid employees of the organization or related as a spouse, child, step-child, grandchild, step-grandchild or sibling to a paid employee of the organization.***
4. Explain the term limits, if any, that your bylaws impose upon members of the Board.  
***RMF requires that all members of the Board be subject to reasonable term limits imposed by the organization's bylaws.***
5. Are any members of the Board on this date exempt from term limits? \_\_\_\_\_ If so, identify them and explain the circumstances.
6. Is there an Executive Committee of the Board? Yes / No [Circle one.] If so, under what circumstances may the Executive Committee act for the Board?
7. Are there any married couples on the Board? Yes / No [Circle one.] If so, how many? \_\_\_\_\_
8. Are there any married couples on the Executive Committee, if any? Yes / No [Circle one.] If so, how many? \_\_\_\_\_
9. The Board ensures that the organization complies with all applicable accounting practices and laws. Yes / No [Circle one.] ***RMF requires a truthful affirmative answer to this question.***
10. Members of the Board are fairly representative of the community the organization serves.  
Yes / No [Circle one.]
11. Does the Board approve the organization's annual operating budget? Yes / No [Circle one.] ***RMF requires a truthful affirmative answer to this question.***
12. How often do members of the Board receive financial statements of the organization?

13. Were the financial statements for your organization's most recently completed fiscal year audited by a certified public accountant or firm of certified public accountants? Yes / No [Circle one.] ***RMF no longer requires audited financial statements unless they are prepared for another purpose. In that event, RMF must receive copies of the complete audit report, including all notes to financial statements, the auditor's management letter and any supplemental letters related to the audit, for your fiscal year most recently completed.***
14. List the names and titles of all staff and members of the Board who met with the accountant who last performed an audit, **if there was one.**
15. **If an audit was completed**, did any member of the Board who was not then the organization's executive director or general manager meet with the auditor without the organization's executive director or general manager present? Yes / No [Circle one.]
16. Are there written job descriptions for all paid staff? Yes / No [Circle one.] If "no," explain why not.
17. Who reviews the performance of the organization's executive director or general manager, and who sets that person's compensation?
18. Has the Board adopted a written Conflict of Interest policy governing all members of the Board and staff? Yes / No [Circle one.] ***RMF requires a truthful affirmative answer to this question.***
19. Does the organization have any other written personnel policies? Yes / No [Circle one.] If so, what is their nature and to whom do those policies apply?

\_\_\_\_\_  
Signature of Person Who Completed Form

\_\_\_\_\_  
Date

\_\_\_\_\_  
Title of Person Who Completed Form

## FINANCIAL QUESTIONNAIRE

*(Required)*

1. If you pay musicians for services, what was your total payroll for musicians for the fiscal year most recently ended? \$ \_\_\_\_\_
2. If you pay administrative staff, what was the total payroll for that staff for the fiscal year most recently ended? \$ \_\_\_\_\_
3. If you pay a music director, or other music professional in a leadership capacity, what was the total payroll for all such persons for the fiscal year most recently ended? \$ \_\_\_\_\_
4. What was the total approximate fair market value of all goods or services contributed to your organization in kind during the fiscal year most recently ended? \$ \_\_\_\_\_
5. Do you charge participants in your organization's programs membership dues or the like? \_\_\_\_\_  
If so, what is the fee per participant? \$ \_\_\_\_\_ Is there any adjustment to that fee if a relative of the participant also participates in your organization's programs? \_\_\_\_\_  
If so, how much is the adjustment per participant? \$ \_\_\_\_\_
6. **If** you charge for performances, how do you determine the amount you charge?
  
  
  
  
  
  
  
  
  
  
7. If you do **not** charge for performances and applicable union rules allow, do you "pass the hat" or otherwise solicit voluntary contributions from the audience to defray the cost of performance and/or your organization's overhead attributable to the concert? \_\_\_\_\_ If so, what is the total amount you collected from all such efforts during your fiscal year most recently ended? \$ \_\_\_\_\_
8. If you charge for tickets to your organization's performances and ticket sales do not fully cover the cost of performance, how do you communicate that fact to your audiences?
  
  
  
  
  
  
  
  
  
  
9. What did your organization spend on advertising and marketing during its last full fiscal year?  
\$ \_\_\_\_\_
10. During the fiscal year of your organization most recently ended, what percentage of your board contributed cash or marketable securities to your organization?

11. For the fiscal year of your organization most recently ended, what was the average gift per contributing board member of all gifts of cash or marketable securities to your organization?

12. To what extent are members of your board expected to participate in fundraising for your organization?

13. Who is responsible to monitor the progress of board members' fundraising responsibilities, if any?

\_\_\_\_\_  
Signature of Person Completing This Form

\_\_\_\_\_  
Date

\_\_\_\_\_  
Title of Person Completing This Form

