

NEBRASKA ADMINISTRATIVE CODE
Title 40 Chapter 2

001 Purpose

The Legislature finds that the cultural climate of Nebraska is important to the state in many ways, including economically, politically, educationally, and socially. Further, the Legislature finds that federal funding for the arts and humanities has decreased dramatically and that there is no assurance of continuation of federal funding. In order to ensure there is a stable cultural climate in our state for future generations, the Nebraska Arts Council (NAC) and the Nebraska Humanities Council (NHC) have joined efforts to establish a financial partnership between the public and private sectors. (Neb. Rev. Stat. Section 82-330)

002 Definitions

002.01 Nebraska Cultural Preservation Endowment Fund shall mean the trust fund established in the state treasury, consisting of funds appropriated or transferred by the Legislature, the earnings of which may be used as provided in these rules and regulations.

002.02 Nebraska Arts and Humanities Cash Fund consist of all funds credited from the Nebraska Cultural Preservation Endowment Fund. The Nebraska Arts Council shall administer and distribute the Nebraska Arts and Humanities Cash Fund.

002.03 Match shall mean new funds equal to disbursements from the Nebraska Arts and Humanities Cash Fund, but generated from sources other than Nebraska state funds. All disbursements from the Cash Fund must be matched dollar-for-dollar.

002.04 Constituent Organizations shall mean organizations that receive funding, or are eligible to receive funding from the Nebraska Arts Council or the Nebraska Humanities Council according to NAC and/or NHC guidelines, and are tax exempt under section 501 of the Internal Revenue Code.

003 Procedures for obtaining funds from the Nebraska Cultural Preservation Endowment Fund

003.01 Earning from the Nebraska Cultural Preservation Endowment Fund shall be transferred to the Nebraska Arts and Humanities Cash Fund (Cash Fund) on a regular

basis as determined by the State Treasurer, the Department of Administrative Services (DAS), and the NAC. The NAC will administer and distribute the Cash Fund.

003.02 The budget division of the DAS will approve disbursements from the Cash Fund only to the extent the NAC has provided documentation of dollar-for-dollar match by sources other than Nebraska state funds.

003.03 In order to receive disbursements from the Cash Fund, the NHC must provide the NAC with documentation of dollar-for-dollar match by sources other than state funds.

003.04 The ultimate use of disbursements from the Cash Fund shall be in a ratio of seventy percent to projects, endowments, or programs designated by the NAC, and thirty percent to projects, endowments, or programs designated by the NHC.

003.05 The NAC and NHC will each have separate systems and procedures for dealing with disbursements from the Cash Fund.

003.06 Both the NAC and the NHC will manage their own endowments, separate from the Nebraska Cultural Preservation Endowment Fund, where each agency can place endowed funds for the purpose of stabilizing the arts and humanities. These two endowments shall be designated herein as the "NAC Endowment" and the "NHC Endowment" or the "NAC/NHC Endowments" collectively.

003.07 New money means a contribution to a qualified endowment generated after July 1, 2011. Contributions not fully matched by state funds in the year the contribution is made shall be carried forward to succeeding years and remain available to provide a dollar-for-dollar match for state funds.

004 Matching funds, what constitutes

004.01 New money for endowments established by the NAC or the NHC to be used as match shall include the following:

004.01A Conventional funds are funds, or anything convertible into funds, given to the NAC or NHC for the purpose of stabilizing the arts or humanities or arts or humanities education, and specifically for the purpose of matching the money from the Cash Fund. The source of conventional funds may be either private or public, excluding Nebraska state funds. Conventional funds shall include, but not be limited to, the following:

004.01A(1) Multi-year pledges shall be counted as match on a year-to-year basis as the money being counted is collected.

004.01A(2) Deferred gifts, such as testamentary gifts, shall be counted as match only when actually collected or at the time they become irrevocable.

004.01A(3) Life insurance policies are acceptable property for matching gifts if ownership is transferred to the NAC, NHC, or their endowments. The matching gift value shall be the existing cash value and dividend values if applicable as calculated at date of transfer. Annual increases of cash and dividend values of paid-up policies may be credited as they accrue. Also, values accruing to other policies may be credited except as they are used to offset annual premiums. When the policy becomes due as a claim, the total face amount less prior used values will be a match in the year received.

004.01A(4) Funds given through an irrevocable trust may be counted in the same year the trust becomes irrevocable.

004.01A(5) Earnings from the NAC/NHC Endowments shall be considered conventional funds, but earnings on funds in the Cash Fund shall not be considered conventional funds.

004.01B Designated Funds consist of competitive grant money which comes from an outside source, private or governmental agency, and is already designated for some purpose. This kind of funding constitutes part of the match only if it is one of the following types:

004.01B(1) Funds given to the NAC or the NHC or their endowments for the purpose of being used as match.

004.01B(2) Funds given to the NAC or the NHC to be distributed to constituent organizations for the constituents' stabilization endowments.

004.01B(3) Funds given to the NAC or the NHC to be distributed to constituent organizations for arts or humanities education.

004.02 New money generated for qualified endowments of constituent organizations can be included as part of the match. In order to count as match, donations to qualified endowments must meet the following requirements:

004.02A The endowment must meet the standards set by the Nebraska Arts Council or the Nebraska Humanities Council.

004.02B The endowment must be intended for long-term stabilization of the organization.

004.02C The funds of the endowment must be endowed and only the earnings thereon expended.

004.02D The funds of the endowment must adhere to the rules and standards of the NAC or NHC for the reception of those funds.

004.03 New money generated to match seed grants awarded by the NAC for the NHC may be counted as match for the Cash Fund. The seed grant must be used for a non-capital project or program, and the grant must be necessary to the production of the project.

005 Administration of the Cash Fund and new money

The NAC and NHC boards may enter into agreements to administer the Cash Fund in accordance with these rules and regulations.