



Operating Grant (OpG) FY 2026-2027

Pre-Application Webinar December 5, 2025



Presentation Overview

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Our Mission

The City of San José recognizes that arts and culture are essential elements in the character and quality of life in a vibrant community and seeks to ensure that San José is an effective hub of a wide array of arts and cultural opportunities throughout Silicon Valley.

The Office of Cultural Affairs (OCA) is the lead City of San José agency for championing and stewarding a vibrant arts sector.

Cultural Funding Portfolio:

❖ Festival, Parade, and Celebration Grants (FPC)

Support for publicly-accessible community festivals, parades, and celebrations in San José by nonprofit organizations.

❖ Operating Grants (OpG)

Support for operations of San José arts and culture organizations with professional staff.

❖ take pART Grants

Support for publicly-accessible arts activities held in San José provided by San Jose-based nonprofit organizations.





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san jose office of cultural affairs

www.sanjoseculture.org

Purpose of Operating Grants (OpG)

Provide **unrestricted financial support** for selected San José professional arts & cultural organizations at various stages of development.

Operating Grants are intended to support the following goals:

- ✓ A sustainable community of stable, well managed arts/cultural organizations, providing a wide array of arts and cultural experiences, and employing professionals to achieve high standards of artistic quality.
- ✓ Enrich arts and cultural literacy among San José residents of all ages.
- ✓ Broad-based, community-wide participation in arts and culture.



OpG Eligibility

- Mission must be focused on the arts*.
- Must have conducted a majority of its arts and cultural programs in San José for at least the 3 years preceding the start of the funding period in the application.



** Exception: An organization whose mission explicitly includes the arts as a principal part of a multi-faceted mission can be eligible IF it can document through an independent audit that at least one-third (1/3) of the organization's annual operating expenses are spent on the direct cost of providing arts programs and activities.*



OpG Eligibility (continued)

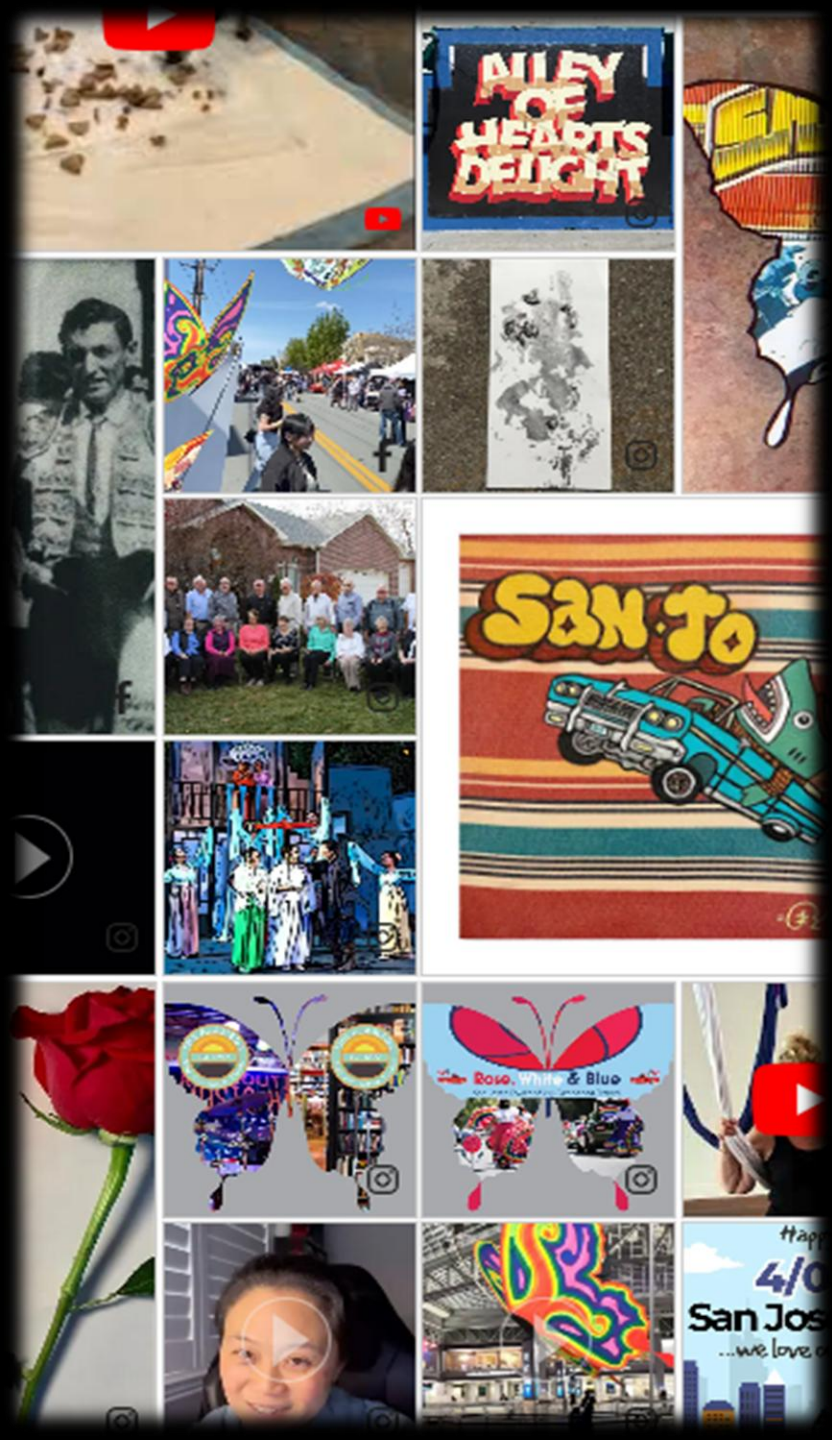
- Operating revenue and expense of at least \$50,000 (not including in-kind) for last 3 completed fiscal years.
- Projected operating revenue and expense of at least \$50,000 (not including in-kind) for current fiscal year and proposed grant period.
- Year-end Financial Reports (Audit or Review) must be done by a third-party accounting firm.
- Must be compliant with any current and previous grants from OCA.
- The organization must not be receiving long-term loans from the City of San José.



Required Standards of Practice

All Organizations

- At least the equivalent of one (1) **full-time paid employee** (not contractor/consultant) with duties including executive and/or artistic management.
- Artists compensated with at least an honorarium, except for artists enrolled as students with the organization.
- Administrative employees paid at wages commensurate with comparable organizations in the San José arts community.
- General Liability insurance.
- Worker's Comp insurance with Waiver of Subrogation.
- No operating deficit unless it is strategically planned with reserves to cover them.



Required Standards of Practice

FINANCIAL REPORTS: Current practice of annual Year-End Financial **Audit OR Review** completed by an external, independent Certified Public Accountant (CPA) or firm:

Organizations with expenditures BELOW \$750,000

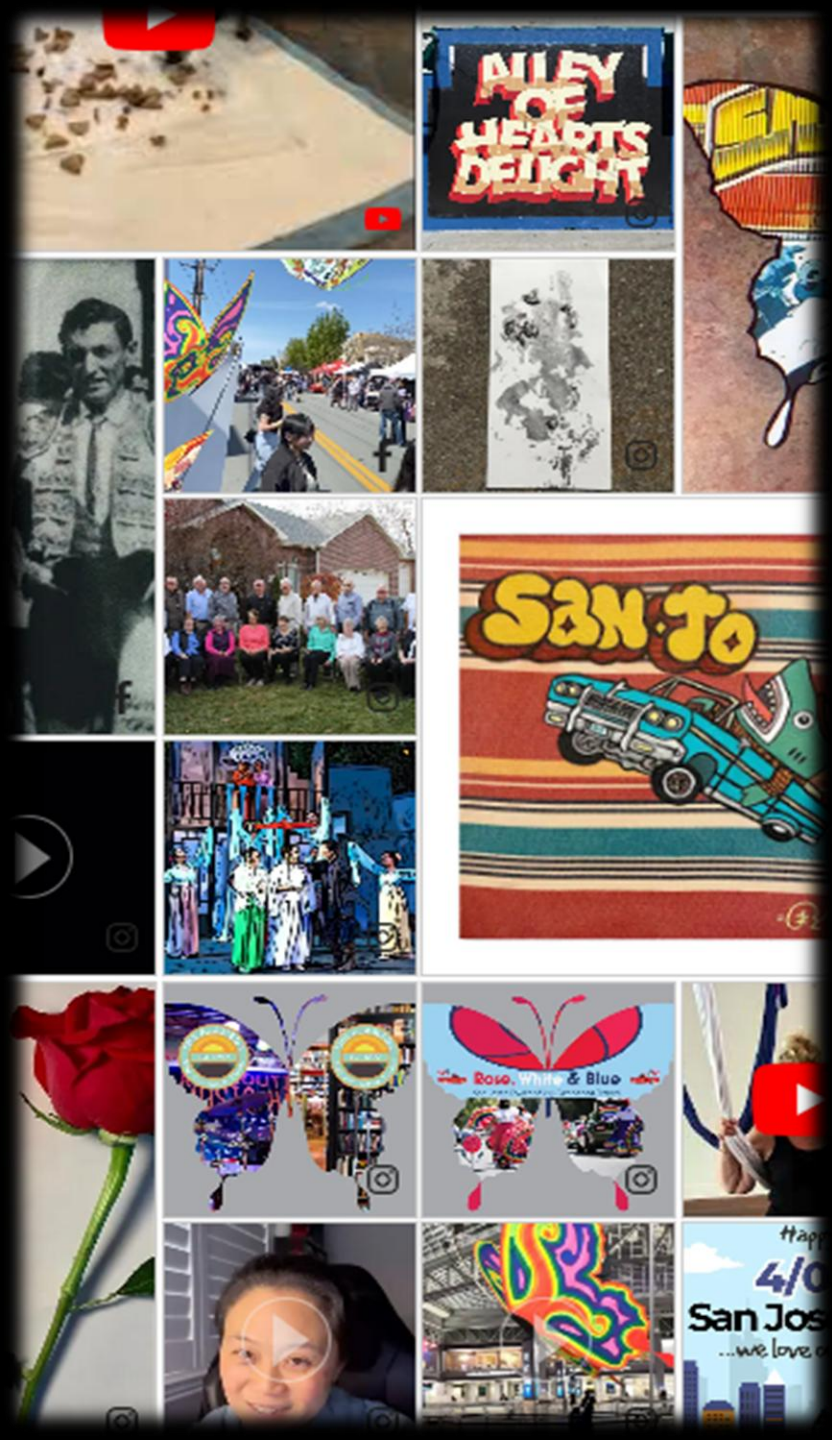
- Annual Year-End Financial Review completed by an external, independent Certified Public Accountant/Firm.

Organizations with expenditures ABOVE \$750,000

- Annual certified Year-End Financial Audits completed by an external, independent Certified Public Accountant/Firm.

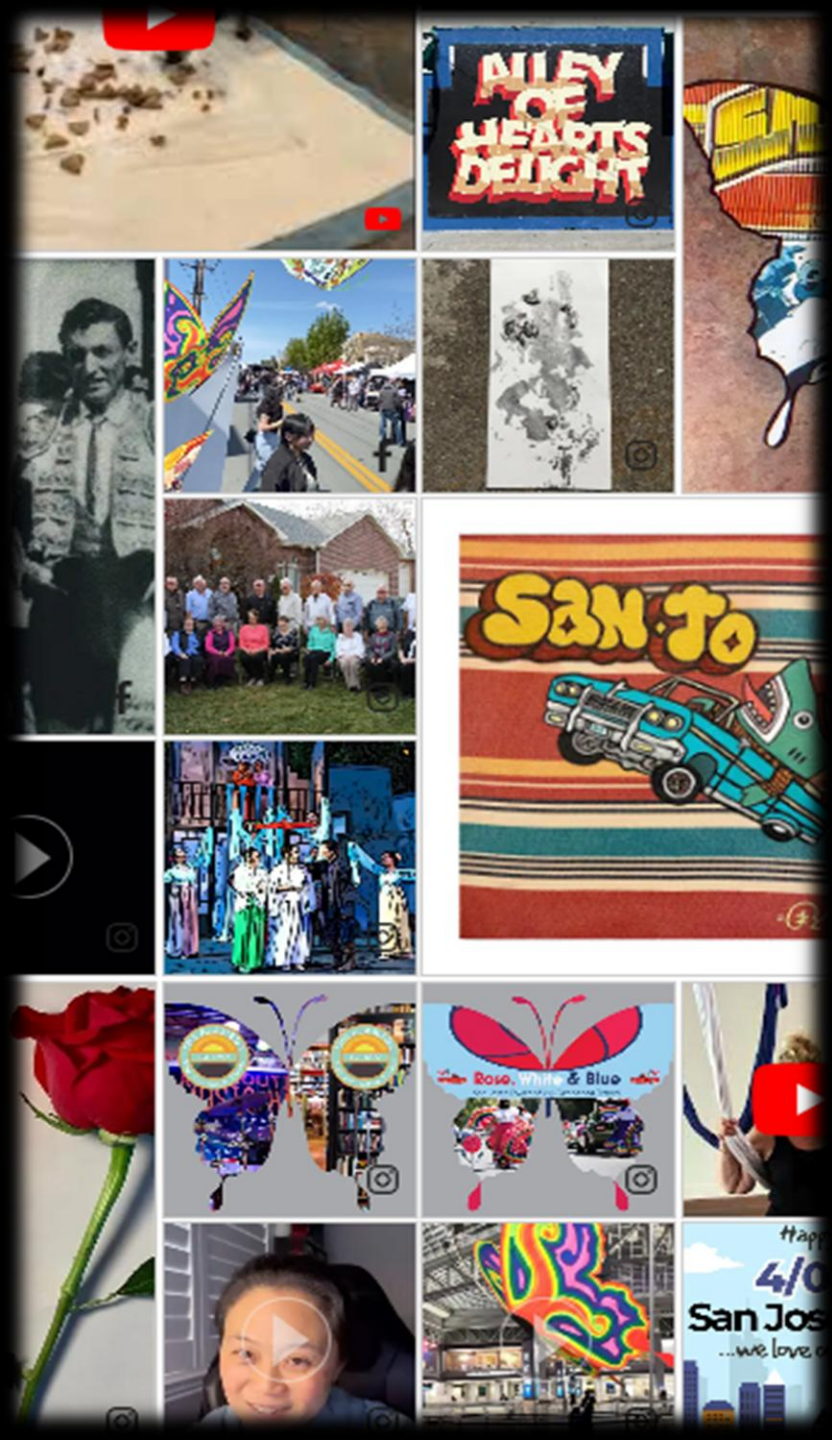
Audit vs. Review

An **audit** is the most comprehensive type of assurance service and requires the auditor to express an opinion on an organization's financial statements prepared in accordance with Generally Accepted Accounting Practices (GAAP). Audits are typically required as a result of financing, Investor, or governmental requirements. Typically, during an audit, an independent auditor evaluates an organization's internal accounting system and its financial records. The auditor will then issue a report containing the findings of their audit.



Audit vs. Review

A **review** is a more limited assurance service and involves the accountant performing analytical procedures on financial statements to get a general understanding of the Company's finances. An important difference between an audit and a review is that an audit provides more reasonable assurance, whereas a review does not and the accountant does not express an opinion. Reviews primarily include applying analytical procedures to management's financial data and making inquiries of an organization's management.





Two-Year Eligibility

Each year, certain organizations are eligible to file a **two-year application**.

This year, organizations with annual operating expenditures averaging **BELOW \$750,000** in the last 3 fiscal years are eligible.

During the FY 2026-27 funding cycle, the two-year application covers both the FY 2026-2027 and FY2027-2028 cycles.



Two-Year Eligibility

- Received an OCA Operating Grant in the past 2 funding cycles.
- No incurred FY 2024-2025 operating deficit and no projected FY 2025-2026 operating deficit,
- **OR** if incurred an operating deficit, can demonstrate that **the deficit did not or will not exceed 15% of its unrestricted net assets.**



Two-Year Eligibility

- OpG application score for FY26-27 carries over to FY 27-28.
- Grant amount differs each year due to funding available and number of grants awarded.
- For 2nd year (rollover) grant, full application will not be required but a report on first year activities and budget.
- OpG grantees may choose to apply again for second year for better score; however the second year score will be used (if lower than previous year).



Application Components

- General Information
- Sources of Funds Statement
- Cover Sheet
- Narrative
- Applicant Signature
- Attachments Including
 - CDP Funder Report and Notes for FY2022-23 to FY2024-25
 - FY2024-25 Financial Report
 - FY2025-26 YTD Financial Statements
 - FY2026-27 Proposed Budget
 - List of FY2025-26 & FY2026-27 art activities
 - Brief bios of key staff
 - Board Roster
 - Supporting Materials (such as digital copies of brochures, press reviews, or articles (**3 max**))
 - Work Sample

Grant Review Panel

The Grant Review Panel is composed of individuals with substantial knowledge, and backgrounds in arts and culture, and nonprofit operations usually drawn from the ranks of experienced and skilled arts and culture administrators, managers, and board members of Greater Bay Area arts organizations and experienced arts and culture grant-makers from the philanthropic and public sectors. They are frequently joined by a representative from the City's San José Arts Commission.

Grant Panel Process & Training

Grant Review Panelists are given training on the following areas:

- **Grant Review Process**
- **Expectations**
- **Scoring Method**
- **Inclusivity and Bias**
- **Objectivity**



Grant Panel Review Criteria

- Artistic Program (30%)
- Operational Effectiveness (30%)
- San Jose Community Impact (30%)
- Economic Impact (10%)

TOTAL = 100%

Grant Panel Rating System Scale

- Exceptionally Responsive (10 points)
- Very Responsive (9 – 8 points)
- Basically Responsive (7 – 6 points)
- Weakly Responsive (5 – 4 points)
- Minimally Responsive (3 – 1 points)
- Unresponsive (0 points)

Panelists are allowed give ½ points (0.5) on their ratings.

Minimum Scoring Threshold

Applications must receive a 70% and above score to qualify for funding. However, achieving a score of at least 70% DOES NOT GUARANTEE that the grant review panel will recommend an application for funding, depending on range of scores, quality of applications, and total funding available for FY 2026-2027.

Initial Reference Grant

- Organization's operating expense, averaged over last 3 completed years.
- Amount of funds available for granting.
- Number and budget size of all operating grant applicants.

Annual Operating Expenditure	Sample Percentage Range *
\$50,000 – \$200,000	12% – 9%
\$200,000 – \$750,000	9% – 6%
\$750,000 – \$5,000,000	6% – 3.5%
\$5,000,000 – \$15,000,000	3.5% – 1.5%

Download the Reference Grant Calculator at: <https://www.sanjoseca.gov/your-government/departments-offices/cultural-affairs/grants-program/operating-grants/opg-resources>

Contractual Requirements

- ✓ Registered “Compliant Vendor” (IRS, CA OAG, CA SOS)
- ✓ Business Tax and Insurance Requirements
- ✓ Final Report (if received an OpG during last cycle)
- ✓ Acknowledgement of City Support
- ✓ Audit Posting Requirements (organizations that receive aggregate over \$320,000 in City of San José funds)
- ✓ Compliance with Copyright Law
- ✓ Compliance with the Child Abuse and Neglect Reporting Act and Employee/Volunteer Clearance Verification
- ✓ Environmentally Preferable Procurement Policy

Insurance Requirements

A Certificate of Insurance (COI) is required *before* we can process the contract. The COI must contain:

- ✓ Commercial General Liability: minimum \$1,000,000 per occurrence
- ✓ Auto: Either commercial policy or Non-Owned and Hired Insurance \$1,000,000 per occurrence
- ✓ Workers' Compensation: \$1,000,000 per occurrence + Waiver of Subrogation
 - If your org does not have employees, you can sign a form attesting so the Workers Comp requirement can be waived

Note: Please ensure you reflect any increase in cost for insurance in your budget

Insurance Requirements (cont'd)

ADDITIONALLY: Organizations serving children and youth will be required to carry:

- ✓ Sexual Misconduct/Abuse and Molestation Liability insurance (often referred to as Sexual Molestation Liability or SML/SAM coverage. Also referred to as Improper Sexual Conduct coverage): Not less than **\$500,000 each occurrence.**

Timeline OpG Grants

February 13, 2026 – OpG Application Deadline

March 19 & 20, 2026 – Review Panel Meeting (*via Zoom Webinar*)

May 2026 – Funding Recommendations to Arts Commission

June 2026 – City of San Jose FY 2026-2027 Budget Adopted



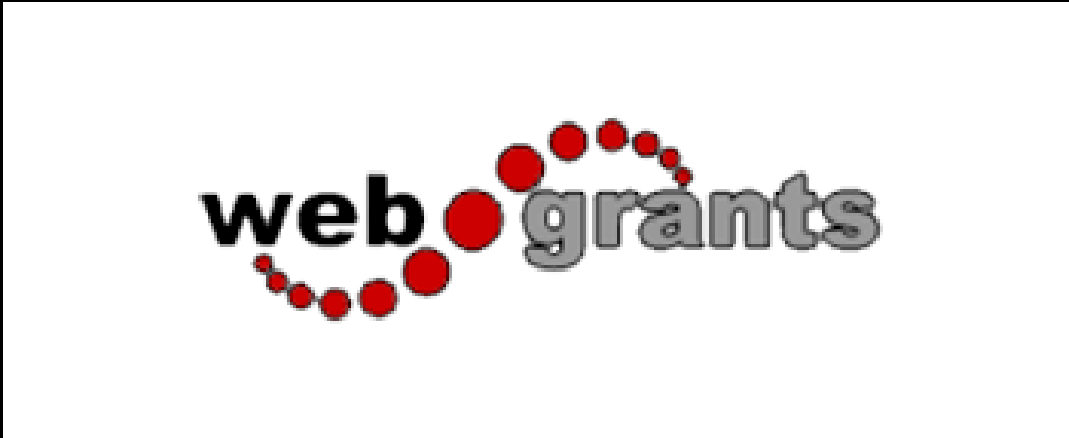
Webgrants Portal

<https://grants.sanjoseca.gov>

(Or Google “City of San Jose Webgrants”)

- Applications will only be accepted via Webgrants Portal
- Complete application must be submitted by deadline (cannot submit portions later)
- Registration is per individual and individuals are associated with an organization
- **Apply early- don’t wait until the last minute!**
- Save as you go – even better, write and save answers in a Word document and paste into Webgrants
- If you need technical assistance, contact staff
- WebGrants available by Monday, 12/8 for application submission

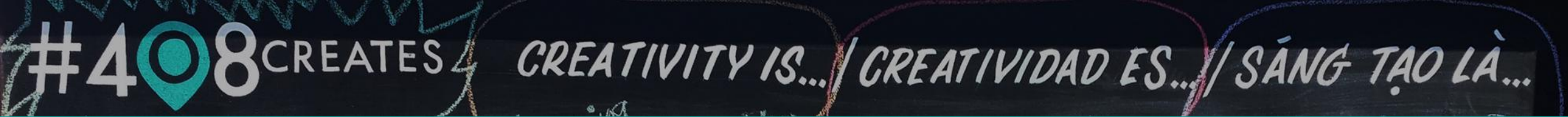
WebGrants (updated)



Individuals only need to register once to access all current and future grant opportunities available through the City.

You do not have to complete and submit the application in one sitting.

<http://grants.sanjoseca.gov>



**Please download and READ the complete
FY 2026-2027 OpG Guidelines at:**

**[https://www.sanjoseca.gov/your-
government/departments-offices/cultural-
affairs/grants-program/operating-grants](https://www.sanjoseca.gov/your-government/departments-offices/cultural-affairs/grants-program/operating-grants)**

OPG APPLICATION DEADLINE!

Complete application forms and attachments must be submitted via WebGrants (<http://grants.sanjoseca.gov>)
by:

FRIDAY, FEBRUARY 13, 2026 by 4:59 PM

If you are selected for OpG funding, you will receive:

1. Notification of recommended award
2. E-packet with what will be required from you (COI, additional documents, etc.)
3. FAQ sheet
4. Timeline/next steps

Other Resources

- **Arts Loan Fund: Cash Flow and Other Loans**
www.artsloanfund.org
- **Creative Capacity Fund – Quick Grant Program:**
<http://cciarts.org/ccf/>
- **Visit San Jose:** Submit upcoming events at:
<https://www.sanjose.org/submitevent>





Office Hours via Zoom

Wednesday, Jan. 14, 2026: 11:00 AM - 12:00 PM

Zoom link posted on OCA Website

<https://www.sanjoseca.gov/your-government/departments-offices/cultural-affairs/grants-program>



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Questions?