

ARTS LOAN FUND

A Program of The Community
Foundation for Greater Atlanta, Inc.

GUIDELINES

The Community Foundation for Greater Atlanta (TCF) created the Arts Loan Fund in 2003 to provide loan financing for small and medium-sized art groups in metro Atlanta awaiting payment of an approved government contract or a foundation grant. Seeking to expand and build upon the Metropolitan Atlanta Arts Fund's mission as a stabilization force, the Arts Loan Fund has expanded the definition of acceptable sources of repayment for a subset of its capital. The Arts Loan Fund is a program of The Community Foundation for Greater Atlanta (TCF). SunTrust Bank, ING Foundation, Wachovia Bank and Bank of America have sponsored the operations of the Arts Loan Fund.

Eligibility

Loans are available to non-profit arts organizations located in one of the following 23 counties: Barrow, Bartow, Butts, Carroll, Cherokee, Clayton, Cobb, Coweta, DeKalb, Douglas, Fayette, Forsyth, Fulton, Gwinnett, Hall, Henry, Morgan, Newton, Paulding, Pickens, Rockdale, Spalding or Walton. The applicant should also have at least 3 years of operating history after its 501(c)(3) designation and pay artists and performers associated with cultural programming.

Criteria

1. Applicants are required to show a verifiable source of funds that will be used to repay the loan. Security or collateral for the loan is an acceptable contract or a grant letter from public grantors such as federal, state, county, or city government or another historical source of funds. Security or collateral for a loan may also be a contract or grant letter from private grantors such as corporations or foundations.
2. Written proof of the collateral source must be submitted and projected cash flow statements must show that the loan can be repaid when the collateral is received.
3. The applicant organization's Chairman of the Board of Directors (or Authorized Officer other than staff) must authorize the loan request by signing the "Disclosure and Authorization to Apply for Funds" on the Application. The Board of Directors must also execute the RESOLUTION OF THE BOARD OF DIRECTORS further authorizing the loan and verifying the approved contract or grant that will be used for repayment.

Interest Rates and Term

Loans are a maximum term of twelve months and are due in full immediately upon availability of the funds used to secure the loan. Generally, no organization shall have more than one outstanding Arts Loan Fund loan at any one time. Loans will be provided with an annual interest rate at a minimum of Prime plus 2%; however, the rate may be adjusted upward according to risk. Interest is charged and due monthly and there is no payment penalty for early repayment of principal. There are no application or servicing fees.

Amount

The maximum amount for each loan is \$25,000. The making of the loan in the requested amount is subject to the availability of loan funds and is at the discretion of the Arts Loan Fund Advisory Board (ALFAC) and approval by the President of TCF.

Loan Application

Eligible arts organizations that wish to apply to the Arts Loan Fund must submit an application. The application may be found at www.MetroAtlantaArtsFund.org, or by calling the Arts Loan Fund administrator, Sandy Kring, at 404-526-1130. Applications may be downloaded from the Arts Fund's web site and completed on your computer; however, applications and required attachments must be submitted on paper. Incomplete, faxed or e-mail applications will not be considered. If you need help completing your application, the Arts Loan Fund administrator is available to assist you or to answer any questions you may have.

Loan Review Process

The ALFAC processes and reviews the applications and makes recommendations to the President of TCF for final approval.

Application Deadlines

1. Applications can be submitted at any time

1. The Arts Loan Fund Advisory Committee will make every attempt to make a decision on the loan within two weeks of receipt of a complete loan package.

3. Loans recommended for funding by the ALFAC will be presented for approval to the President of TCF.

4. Each applicant will be contacted after final presentation to TCF and informed of the decision.

After the Loan Decision

If a loan is approved, the organization's Board Chairman and Executive Director or CEO (must be two different individuals) must sign a NOTE AND SECURITY AGREEMENT on behalf of the organization, obligating it to repay the loan with interest. Funds are disbursed upon receipt of an executed NOTE AND SECURITY AGREEMENT. Loans are administered by the Finance Department of TCF with the support of the Arts Loan Fund administrator.