

Toolkits for the Arts

TOOLKIT 1: CREATE AN ARTS ORGANIZATION

Arts organizations can be effective platforms for developing, supporting, promoting, and coordinating the arts within a community, region, or even state. While big cities are often home to numerous established arts groups, many of our small, rural communities in West Virginia lack an organized voice promoting the arts at a local level.

As a result, this toolkit is designed to:

- provide an overview of different types of arts advocacy organizations, and
- offer practical steps for starting an arts organization in your community.

OTHER TOOLKIT TOPICS

This document is the first installment in a six-part series of toolkits published by the Tamarack Foundation for the Arts. Funded by an “Our Town” grant from the National Endowment for the Arts, this series provides straightforward guidance to help individuals, communities, arts councils, and other creative entities implement local initiatives for the visual arts. Other installments in this series include:

1. Create an arts organization
2. Form an artist cooperative
3. Host a pop-up art shop
4. Organize a studio tour
5. Arrange an art walk
6. Lead a public mural project

About the Tamarack Foundation for the Arts

The Tamarack Foundation for the Arts (TFA) is a nonprofit organization dedicated to cultivating an empowering ecosystem that provides artists, businesses, and communities the tools and support needed to learn, connect, and thrive. TFA convenes a range of initiatives and programming that aim to help West Virginia artists prosper from their creative practice and make meaningful contributions to the well-being of our communities. More information is available at tamarackfoundation.org.

WHY FORM AN ARTS ORGANIZATION?

Picture this: Your community is home to several artists who are looking for ways to make their work more visible in the community—perhaps by displaying their work in local establishments, teaching workshops or classes, or selling their wares at a local market or event. Or maybe you’re a community member eager to see and interact with more art around town, but you’re not sure how to promote the arts within your community.

Communities across the country have found great value in forming dedicated community arts organizations that promote the arts at the local level. In fact, effective arts organizations can be powerful tools in the overall cultural, social, and economic development of a community.

TYPES OF ARTS ORGANIZATIONS

No two arts organizations are the same. Shaped by the communities they serve, arts organizations take many different forms to address their particular local objectives.

Community-based arts advocacy organizations are commonly formed in one of three ways:

As a nonprofit

The majority of arts groups around the country are nonprofit organizations, meaning they are driven by their mission as opposed to making a profit. Some groups focus on showcasing the work of local artists through exhibitions or collective marketing opportunities that help artists sell their work at local events, markets, and businesses. Other groups promote educational opportunities such as trainings to help local artists further their skills or workshops to enrich the community as a whole. Still, other organizations operate art centers, museums, or other brick-and-mortar locations.

As a governmental entity

Some arts organizations, such as city or county arts commissions, may be housed within government agencies. These groups might form specifically to work with local government entities to promote and fund arts opportunities in the area. For example, the City of Charleston recently created an Office of Public Art and is in the process of forming a public art commission. The Office of Public Art is led by a paid city employee, and the commission will consist of members appointed by the mayor and the new public art director.

As a cooperative

Broadly defined as enterprises that are jointly owned and controlled by their members, cooperatives are often used as platforms for artist-members to collectively operate a gallery, retail space, and/or studio according to agreed-upon rules. (See *Toolkit 2: Form an Artist Cooperative in this series for more detailed information about artists cooperatives.*)

Arts councils vs. commissions: Organizations that form as “arts councils” often have some association with local governments, though the councils themselves are typically organized as nonprofits. Entities formed as “arts commissions” are generally created by and fall under the umbrella of a city, county, or other governmental unit.

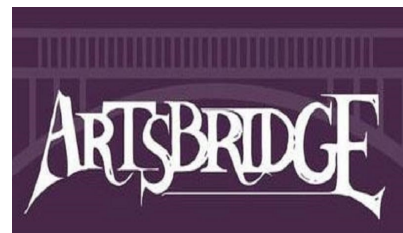
This toolkit focuses specifically on forming a nonprofit community arts organization.

WEST VIRGINIA ARTS ORGANIZATIONS

There are a number of arts-focused organizations in West Virginia. Here are a few that serve specific communities and/or counties.

Artsbridge (Parkersburg) artsbridgeonline.org

Artsbridge is an arts council dedicated to improving the quality of life in the Mid-Ohio Valley by promoting and supporting the arts through financial and administrative support and arts education in our schools and community. The organization also promotes enrichment opportunities for communities, and technical trainings for arts organizations and individual artists.



ArtSpring (Thomas) artspringwv.com

ArtSpring is a nonprofit collective of local artists and arts appreciators who believe in promoting, presenting, and supporting the arts in Tucker County. As the county's chief advocate and voice for the arts, ArtSpring hosts a number of events each year, including the annual ArtSpring Festival every May. The organization also offers direct support to artists, promotes Tucker County as an arts destination, and facilitates the engagement between the creative community and the public.

The Beckley Art Center (Beckley) beckleyartcenter.org

The Beckley Art Center is a nonprofit organization dedicated to promoting the arts and encouraging artistic talent within the community. The organization maintains an art center in downtown Beckley where they host a variety of classes, art exhibitions, music events, and a gift shop.



Morgan Arts Council (MAC) (Berkeley Springs) macicehouse.org

MAC, a nonprofit, is the official arts council of Morgan County. MAC coordinates a number of programs including school art programming, several concert series, community theater productions, literary festivals, gallery shows, visual arts classes for adults and children, public art projects, media classes on videography, broadcasting and film, dance and movement classes, storytellers, and festivals.

Pocahontas County Arts Council (PCAC) (Marlinton) pocahontasarts.org

PCAC's mission is to promote the visual arts in Pocahontas County through a variety of classes for individuals and groups. PCAC operates the Little Yellow House in Dunmore, the Durbin Art Center, and the Green Bank Art Center, through which they offer art classes and exhibition opportunities. The council also partners with other organizations to provide community activities including art shows and events.



The River House, Inc. (Capon Bridge) theriverhousewv.org

The River House, Inc. is a nonprofit organization that operates the River House, a community art and music center in Capon Bridge that emphasizes active community participation, affordable access, and multi-generational education. The River Center offers live musical performances, art classes, community gatherings, and open workspace and also features a cafe on site.

WHERE TO START?

Think your community might benefit from having a local arts organization? Here are some suggestions on where to start.

DO YOUR HOMEWORK

Oftentimes groups or individuals know from the start what they want their organization to do or accomplish. Nevertheless, initial planning is important for setting your organization up for success. Answering these fundamental questions can help shape the direction of your arts organization.

What does your community need?

Successful local arts organizations respond to the needs of their community. Start by talking to artists and other community members to understand both their needs and desires for the community. For example, do artists in your community have the tools, opportunities, and markets they need to thrive? Do students and community members have opportunities to learn about art and crafts? Does your community currently feature any public art? And most importantly, what do local residents want to see, and what ideas or opportunities do they get excited about?

What groups already exist?

Are there existing organizations in your community related to the arts? If so, what needs are not currently being met by those organizations? Could any of these organizations potentially take on arts programming that is currently lacking?

Who are the key players that should be involved?

Are there key stakeholders from other organizations or local government officials who have relevant knowledge or expertise to lend?

Start by posing these questions with your immediate circle of contacts. Then think about ways to reach out to a wider audience in your community, such as by attending community meetings, posting to local social media pages, or sharing an informal online survey. Once you have an understanding of these issues, you can better strategize about how a community arts organization could provide value to your community.



Lessons from the River House:

When volunteers in Capon Bridge realized that their community needed a central gathering place to feature and promote local artists, they started by floating the concept for a community arts center among local leaders, including artists, business owners, teachers, and other leading citizens around town. Many of these leaders joined on as a “board of advisers,” who helped shepherd the concept for the River House from an idea to a reality.

GATHER YOUR TEAM

Next, assemble a team of individuals in your community who are interested in your cause and might help you in forming an organization. Specifically, you will need a handful of individuals to serve as a core planning team for your organization. (Tip: If you decide to incorporate your group as a nonprofit, you'll need at least four members who will serve as officers of your organization.)

Having prior expertise with community organizations is a huge plus to look for, but even an inexperienced individual with some time, interest, and a willingness to learn can be a great asset to your team. While some arts groups are made up entirely of artists, it's not a bad idea to think about widening your circle to include community members from other walks of life who might contribute valuable skills and expertise to your organization.

At the same time, look for examples of existing organizations in other places who are doing the kind of work your organization aspires to. Most groups are open to helping other communities follow in their example. Reach out to these groups to ask questions about what lessons they have learned in running a community-based arts organization.

MAKE A PLAN

Regardless of the organizational structure, you decide to pursue, your organization will need a solid plan for what it hopes to accomplish and how it plans to operate to meet its goals. Creating a basic business or strategic plan (whether formal or informal) from the start will set your organization up for success. A basic plan should take the following questions into consideration: *What kind of money will it take to fulfill your goals? Will you have paid staff or just volunteers? Where will funding come from to sustain the group?*

DETERMINE YOUR ORGANIZATIONAL STRUCTURE

Most arts organizations forming with the purpose of advocating for and/or promoting the arts opt to form as nonprofit organizations. Just as the name implies, nonprofits are considered to be "mission-driven" organizations rather than profit-driven businesses.

If the main objective of the arts group centers around making money for artists through increased sales, then forming as a business or a cooperative may be a better fit. To learn more about the cooperative model, check out Toolkit 2: Form an Artist Cooperative.

A nonprofit-run business? It is possible for a nonprofit to operate a business. In fact, some organizations use this business model to provide a sustainable source of revenue to fund the nonprofit's mission-based programming. However, keep in mind that any profits from nonprofit-run businesses must go straight back to the nonprofit.

TYPES OF NONPROFITS

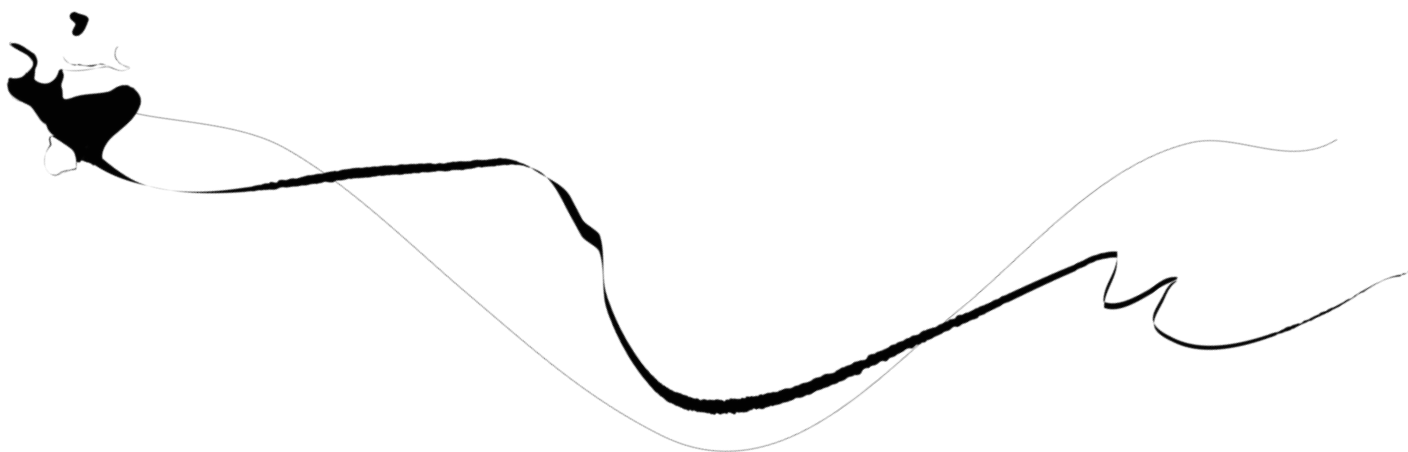
There are two broad categories of nonprofits: those that incorporate, and those that do not.

Any time two or more people decide to work together for a common purpose (raising funds for a local cause, etc.), they technically form an *unincorporated nonprofit* association (Wong, 2019). While West Virginia recognizes unincorporated organizations (WV Code Section 36-11), it is important to note that most of the benefits we associate with nonprofits—including tax-exempt status and liability protections—only apply to organizations that legally incorporate with the state and federal government as a nonprofit corporation.

“Incorporating” is the process through which an organization legally becomes a corporation.

The basic steps for incorporating a nonprofit in West Virginia include registering a business name and filing articles of incorporation with the West Virginia Secretary of State’s office. Additional steps are then required to legally register your nonprofit with the state and U.S. Internal Revenue Service (IRS).

Incorporating is a good idea for most arts organizations. A formal structure gives credibility to your organization, plus the nonprofit corporate structure limits the liability of the group’s board members. (Grant Space, 2019)



While the IRS offers many different kinds of nonprofit designations, the most common for independent charitable organizations is the 501(c)(3) designation as a public charity, which grants tax-exempt status to the organization. This designation allows the organization to apply for and receive grants and allows donors to claim a tax deduction on charitable donations to the organization.

WHY FORM A 501(c)(3)?

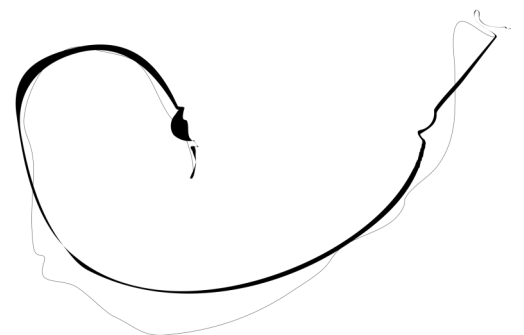
Advantages:

- **Tax exemption:** Organizations with 501(c)(3) status are recognized by the IRS as tax-exempt entities.
- **Donations:** 501(c)(3) status allows an organization to accept donations that are tax-deductible to the donor.
- **Legitimacy:** 501(c)(3) certification acts as a seal of approval from the IRS and gives your organization more authenticity in the eyes of donors or partners.
- **Grants:** Most funders limit their grants to organizations that are certified 501(c)(3) entities.

Disadvantages:

- **Time, Cost, and Paperwork:** Creating a nonprofit organization takes time, effort, and money. In order to keep their “active” and “exempt” status, nonprofits must file annual reports (Form 990s or Form 990-EZ, depending on the group’s operating budget) with the IRS as well as an annual filing with the West Virginia Secretary of State. An accountant may also be needed to assist with annual financial reporting requirements.
- **Control:** Being a nonprofit does require that your organization follows its bylaws and articles of incorporation.

While it does take work to create and operate a nonprofit, most arts organizations nevertheless opt to follow this path. That said, some organizations choose to register their nonprofit with their state only and not pursue the federal 501(c)(3) certification. If these groups want to apply for and receive grants, they must work with a **fiscal sponsor**, a separate 501(c)(3) organization that agrees to be the official grant applicant and manager on behalf of the local arts group.



STEPS TO FORM A NONPROFIT

The following basic steps are adapted from the West Virginia Nonprofit Association's checklist for starting a nonprofit. Refer to the full checklist (wvnpa.org/starting-a-nonprofit/) for more information.

Tasks at your first board meeting

- Formally select individuals—including officers—to serve on your board. The board must include, at a minimum, a president, vice president, secretary, and treasurer.
- Adopt bylaws. Your organization's bylaws will serve as the ground rules for how your group will be run. Bylaws generally include the mission of the organization, the number and general terms of board members, the roles of officers, the number and frequency of meetings the group will hold, as well as other general operating terms. While it is often advised that organizations consult with an attorney in creating their bylaws, in practice many organizations base their bylaws off of examples from other nonprofits.
- Adopt articles of incorporation. Articles of incorporation are generally one-to-two pages in which the members of the board certify in writing that they are creating their organization as a nonprofit corporation. As with the bylaws, it is good practice, though not required, to review articles of incorporation with an attorney.

Other internal tasks

- Designate a bookkeeper and/or accountant for the organization who can help prepare annual financial statements and other filings to maintain your nonprofit status.
- Establish a bank account as well as internal procedures for who will sign checks for the organization.
- Explore insurance policies that will cover your organization's volunteers and/or directors and officers.
- Establish a website, newsletter list, and social media presence to raise awareness and keep the community informed of your organization.


Tasks with the IRS

- Apply online for an employer identification number (EIN). This is required regardless of whether the organization will have employees. irs.gov/businesses/small-businesses-self-employed/apply-for-an-employer-identification-number-ein-online
- Apply online for 501(c)(3) status through the IRS. irs.gov/charities/index.html

Tasks with the state

- Reserve your organization's name with the West Virginia Secretary of State's Office. sos.wv.gov/business/pages/RegBusName.aspx
- File a business registration with the West Virginia State Tax Department. tax.wv.gov/Business/BusinessRegistration/Pages/BusinessRegistration.aspx
- Register as a charity with the West Virginia Secretary of State's Office. sos.wv.gov/business/Pages/RegStepsCharPFR.aspx

Other ongoing annual tasks

- Register annually with the West Virginia Secretary of State's office.
 - File a Form 990 or 990 EZ with the IRS annually on or before June 30th to avoid revocation.
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KEY RESOURCES

The West Virginia Nonprofit Association (WVNPA) is an organization dedicated to building the capacity within West Virginia's nonprofit organizations and to advance the sector as a whole. WVNPA offers a number of online tools that can help you start and manage a nonprofit. wvnpa.org/

West Virginia Department of Arts, Culture, and History offers several grant programs for arts organizations. wvculture.org/arts/grants.html

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