

**Exhibit 9: Summary of Administrative "Caps" for Arts and Cultural Grant Programs**

<b>Name</b>	<b>Cap on 3rd party administrative costs?</b>	<b>Notes</b>
<b>City Programs</b>		
San Francisco	10%	Administrative expenses are very narrowly defined (janitorial services, utilities, accounting/payroll, audit expenses etc.).
Los Angeles	No cap	Although they don't have a set cap, they review project budgets and consider administrative costs as part of their evaluation. Typical admin costs are between 15-25%, but up to 50% is possible for certain project types, such as "publication project, dance concert, gallery exhibition program, or film festival."
Pasadena	15%	For one grant type only (Arts Education Partnership). No stated cap for other grant types.
West Hollywood	No cap	Since admin costs are very project dependent, they do not use a cap. They try to be aware that non-profits have expenses other than just programming, and that "no one is making big bucks in arts administration."
<b>State/Federal Programs</b>		
California Arts Council	No cap	In some cases, they ask applicants to show that artists are being paid commensurate with their experience and local rates. In others they just leave it up to the panels to judge.  Removed their cap relatively recently. Historically it was 20%.
National Endowment for the Arts	When used, cap negotiated on a case-by-case basis.	Uses a cap on "indirect costs" for some organizations, but not all (only multidisciplinary centers with a variety of activities, where costs are not assignable directly). When needed, indirect "rates" are negotiated on a case-by-case basis.  Indirect costs are overhead or administrative costs (facilities and administration, rent, electricity, depreciation, telephone, etc.) that cannot be readily identified to a specific project or function.
<b>Foundations</b>		
Ford Foundation	No cap	As per California Arts Council.
Packard Foundation	No cap	They give general guidance of 15%, but "each program officer uses his/her own discretion since each program strategy is unique."
Leshner Foundation	No cap	They evaluate each application individually. "We know that each organization is different and unique with different and unique problems and solutions."
Rainin Foundation	No cap	They evaluate each project individually. "We've come to understand that arts organizations are severely undercapitalized and often have the most difficult time in raising support to cover administrative costs that are critical to the successful execution of projects."