

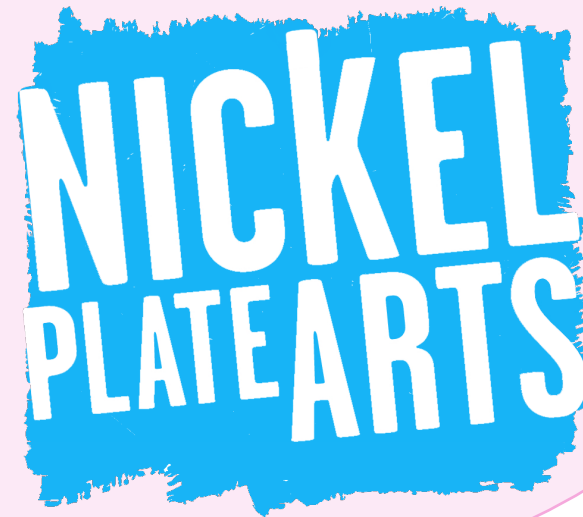
# NICKEL PLATE ARTS & HCAA

A new relationship



## THE SITUATION:

- HCAA has a great legacy in Hamilton County
- HCAA is an all-volunteer organization
- Nickel Plate Arts has grown in success and has a stable funding structure
- HCAA needs help developing sustainable business plan that preserves its legacy and role in the community
- Nickel Plate Arts is eager to form partnerships that maximize efficiency and opportunities for professional artists



## WE SEEK A PARTNERSHIP THAT:

- Protects & strengthens NPArts
- Harnesses NPArts' efficiency & administrative structure
- Ensures long-term commitment from both entities
- Preserves HCAA's legacy
- Preferably saves HCAA's name
- Maximizes use of HCAA's assets by and for the community & professional artists
- Pairs down HCAA's operations to maximize their impact for professional artists in Hamilton County
- Maintains a professional 'artist guild' for Hamilton County



3 BASIC LEGAL PATHWAYS TO EXPLORE:

True Merger

Dissolution &  
Reincarnation

Services  
agreement

## OPTION 1: A TRUE MERGER

Both entities are on equal footing



Both entities pledge resources, financial capital and operational/administrative work for the future



A new, unique entity is formed

*Note: This is not a likely option because HCAA isn't on equal footing and can't guarantee ongoing support over the years*

# OPTION 2: DISSOLUTION & RESURRECTION

One entity dissolves

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graph TD; A[One entity dissolves] --> B[Under Indiana Law a 501(c)3 that closes its doors must grant its assets to another 501(c)3]; B --> C[The recipient 501(c)3 could then resurrect the programs, events, services of the dissolved 501(c)3];
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Under Indiana Law a 501(c)3 that closes its doors must grant its assets to another 501(c)3

The recipient 501(c)3 could then resurrect the programs, events, services of the dissolved 501(c)3

PROS: HCAA members would no longer have liability, no need to file a 990  
Nickel Plate would have clean & clear jurisdiction

CONS:  
HCAA no longer exists as an entity, with no control over Nickel Plate's actions

*Note: This is the option that the Nickel Plate Arts board would like the most, for our own safety: it's important to keep that in mind!*

## OPTION 3: SERVICES AGREEMENT

One entity hires the other entity to manage programs, services, and/or assets



A clear services agreement details the expectations of the relationship



The hiring entity pays the other entity for services as per the terms of the agreement

### PROS:

Pros: HCAA remains a separate entity and can direct Nickel Plate's actions through the contract

### CONS:

HCAA may not be able to guarantee its contracted commitments, HCAA members still have all the liability of the organization & have to file a 990, Nickel Plate Arts board may feel like HCAA is asking us to do all the work without tangible, long-term benefits

# PROPOSAL: A BLENDED OPTION

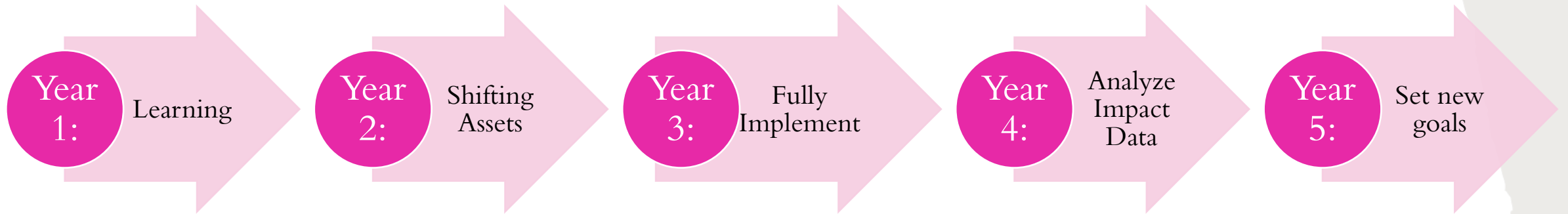
- We can take elements of these approaches and use them together





# BLENDED OPTION: ACTION STEPS

We create a multi-year service agreement that creates a pathway for HCAA to sit under Nickel Plate's umbrella in order to best serve professional artists in Hamilton County



- Year 1: Nickel Plate Arts will learn HCAA's operational needs, HCAA will learn NPArts' processes and pay for NPArts' services.
- Year 2: HCAA's assets are restructured to support & strengthen NPArts in order to best achieve the overall goal of cultivating arts resources for professional artists in Hamilton County
- Year 3: HCAA will become a project of Nickel Plate Arts, subject to the direction of our board
- Year 4: HCAA Committee will collect data on the impact this agreement on professional artists and areas for improvement
- Year 5: The HCAA Committee helps Nickel Plate Arts create a new strategic plan & goals

# THE ULTIMATE OUTCOME:

- Hamilton County Artists' Association will become a project of Nickel Plate Arts, dedicated to championing ongoing artist professional development in Hamilton County
- HCAA's members are freed up to best serve the community (focusing on creating great art & art experiences, rather than accounting, facility management, marketing, etc)
- HCAA's members support and responsibly advise all aspects of Nickel Plate's programming & services
- Nickel Plate Arts provides even better, more wholistic, streamlined professional development opportunities for artists
- The Birdie Gallery is activated daily for the betterment of the community and for the benefit of artists.



# BLENDING OPTION: YEAR 1, LEARNING

HCAA hires Nickel Plate Arts to manage the following operations:

- 2023 program management (exact events, programs, exhibits, classes and services detailed by 12/15/22)
- Site management, including monthly staffing of the Birdie Gallery
- Marketing & Communications: social media schedule, event & program promotion, member news
- Board & Membership: NPArts director will run board meetings, NPArts staff will coordinate HCAA membership meetings. Membership of both organizations remains separate, although HCAA might be able to access some new benefits from NPArts.

HCAA will continue to be responsible for the following tasks, with Nickel Plate's help:

- Program execution: each program in the 2023 HCAA calendar must have active HCAA volunteers
- Accounting: HCAA will handle writing and receiving its own checks & payments
- Marketing & Communications: HCAA will manage its own website & contribute social content for NPArts to post

Each entity's skin in the game:

- NPArts will dedicate a total of 470 administrative hours for projects and 520 'staffing' hours for the Birdie Gallery
- HCAA will pay Nickel Plate \$20,800 for this work, from a combination of savings & earned income sources to be identified in the contract (NPArts will help generate new income, including rental income, etc). This will likely spend down all or most of HCAA's cash reserves.
- Nickel Plate Arts will dedicate space in our annual marketing plan for HCAA projects
- HCAA will provide volunteers to assist with each program/event/exhibit. Any program without volunteers may be canceled or restructured by NPArts to ensure the long-term success of this partnership
- HCAA must still pay for their basic operating requirements, including insurance, utilities, etc.

# BLENDING OPTION: YEAR 2, SHIFTING ASSETS

## Similar management agreement to Year 1

- 2024 HCAA Operating Calendar will be confirmed by all parties by Oct 15, 2023
- Each organization's membership benefits will be restructured to include the other by mid year:
  - We want to preserve HCAA's legacy as THE juried artist group – it should stay 'elite'
  - We want HCAA members to have full access to Nickel Plate Arts resources (fees may still apply)
  - We want NPArts members to have the opportunity to jury into HCAA as a level of membership
  - This will take some clever thinking & planning, but could have awesome results for artists!
- HCAA's website might be shifted to Nickel Plate Arts – it will appear to be its own page, but managed on same platform as NPArts

## In payment, HCAA will give NPArts the Birdie Gallery (value TBD)

- The Birdie Gallery will legally become Nickel Plate Arts' property, to do with as Nickel Plate Arts sees fit to best fulfill its mission
- NPArts will assume responsibility for all insurance, utilities, maintenance, etc required for the building
- NPArts will keep all revenue generated by building, including rental fees, program fees and art sales

# BLENDED OPTION: YEAR 3, FULL IMPLEMENTATION

## HCAA becomes a committee of Nickel Plate Arts

- Committee is tasked with cultivating high-quality professional development experiences for artists in Hamilton County and may be included in any and all NPArts programs & services
- Chair of the HCAA committee serves on the Nickel Plate Board
- A member of the Nickel Plate Arts staff manages/supports the HCAA Committee meetings
- We'll explore the legal obligations with a lawyer by 2025: does HCAA keep its 501(c)3 or not?

## HCAA's assets:

- Birdie Gallery and any remaining savings have already been transferred to Nickel Plate Arts by Jan 1, 2024 to support professional development opportunities for artists
- Nickel Plate Arts may set up a separate bank account for HCAA income & expenses – if so, Chair of HCAA committee will be able to access all financial reports and approve certain expenditures
- HCAA can still collect income from membership and key programs, as approved by Nickel Plate Arts board, to support professional development opportunities for artists. HCAA projects will be approved by the NPArts board when and if the projects demonstrate a plan to generate more income than their projected expenses
- HCAA members/volunteers can and will be included in various Nickel Plate Arts projects in order to ensure that artists' professional development requirements are met

# BLENDING OPTION: YEAR 4, ANALYZE IMPACT DATA

HCAA Committee, with the help of NPArts staff, will collect data

- Satisfaction ratings from professional artists in the NPArts network, both juried into HCAA and non-juried
- Number of artists served from 2022 to 2026
- Arts sales from 2022 to 2026
- Number of artists who transition from hobbyists/amateurs to professional from 2022-2026
- Number of professional artist inclusion in community projects & initiatives from 2022-2026
- Etc.

HCAA Committee will analyze data and identify implications for NPArts

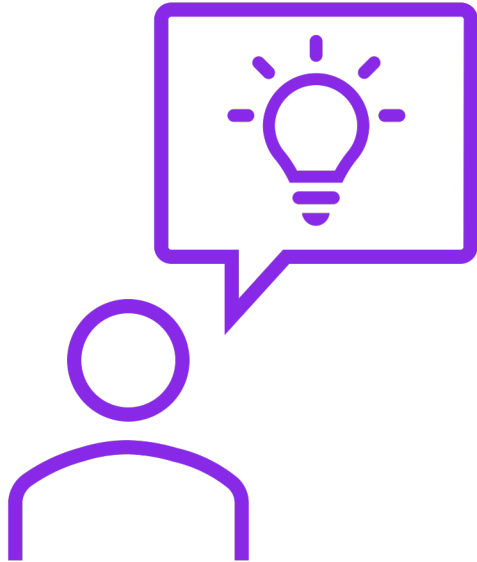
- Where is Nickel Plate Arts having the greatest success for professional artists?
- Where could Nickel Plate Arts improve service to artists?
- Where are the needs of professional artists coming into conflict with the needs of the community?
- Do professional artists have needs that Nickel Plate Arts is not addressing at all?
- Etc.

## BLENDED OPTION: YEAR 5, NEW PLAN

HCAA Committee helps the Nickel Plate Arts board create a new strategic plan

- The plan would likely cover 2028-2033
- HCAA will remain a pillar of Nickel Plate Arts operations & strategy
- HCAA applies the data collected in Year 4
- HCAA identifies financial goals for artist professional development services & programs included in the new strategic plan

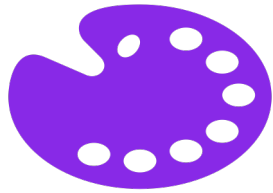
## THINGS TO KEEP IN MIND:



- The Nickel Plate Arts board is likely to request a full audit of HCAA's books, at HCAA's expense, before we move forward with an agreement
- Nickel Plate Arts is likely to rebrand in the next few years, and new branding will be influenced and shaped by this agreement
- Each successive year of this agreement will be influenced and adjusted by the previous year: the details of years 4, 5, etc are not meant to be seen as precise to-do lists, but instead important milestones that may need to be addressed
- The length of the agreement can be adjusted to best meet the needs of both parties, but Nickel Plate Arts is unlikely to accept an agreement of less than 3 years.

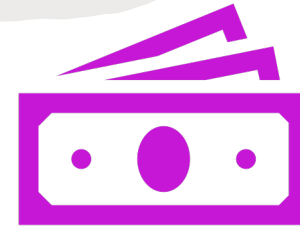


# BENEFITS TO EACH ORGANIZATION:



## *Benefits to HCAA:*

- Preserve & continue 70-year legacy
- Alleviate liability & financial stress
- Focus on the kind of work that matters most to members & volunteers
- New benefits for members
- Increase impact for professional artists



## *Benefits to NPArts:*

- Prioritize artist professional development as key to the mission
- Access more space, especially for revenue-generating classes & group events
- Keep the City happy by maximizing arts & culture assets
- Add a new physical asset to our financial portfolio

# NEXT STEPS:

1

Run this presentation past the Nickel Plate Arts Board & HCAA leadership team to get initial approval

2

Familiarize HCAA board with the details of this presentation & take temperature

3

Solidify 2023 HCAA operating calendar & how it will influence NPA operations plan

4

Familiarize HCAA membership with the broad strokes of the proposed agreement

5

Solidify agreement with HCAA and NPArts legal counsel