

Fair Funding Guidance

Date: July 28, 2021

This guidance is intended to assist eligible recipients of fair funding in submitting an annual financial report and complying with continuing education requirements

AGRI FAIR FUNDING

All funding provided to fairs from the State of Arkansas, to include agri fair funding and construction funding, requires authorization by the Arkansas General Assembly.

In accordance with Act 700 of 2021, agri fair funding (previously known as premium funding), will now be distributed based on a historical average of total fair funding provided by the State of Arkansas.

In accordance with Act 918 of 2021, agri fair funding will be distributed to county fairs, the Four States Fair, the Arkansas-Oklahoma Fair, and the Arkansas State Fair.

Funding for fairs is no longer awarded based on a “points” system and fairs are no longer required to use the funding only for the purpose of paying awards on approved entry classifications.

In accordance with Act 700 of 2021, fairs are no longer required to levy a 4.5% surcharge on each paid admission.

In accordance with Act 700 of 2021, any two or more adjoining counties in the state are authorized to enter into an agreement for and to conduct an annual joint fair or livestock show. The joint fair or livestock show shall be funded jointly by the participating counties.

CONSTRUCTION FUNDING

In accordance with Act 853 of 2021, county and district fairs are eligible and will receive construction funds in 2021. Further, the Arkansas legislature has granted recipients of construction funding in 2021 additional flexibility to utilize the funding to defray other unavoidable expenses and needs created by the Coronavirus.

ANNUAL FINANCIAL REPORT

Arkansas law requires each recipient of fair funding to maintain records of expenditures and submit an annual financial report to the Arkansas Department of Agriculture (Department) and to Arkansas Legislative Audit by the end of each calendar year.

In accordance with Act 700 of 2021, recipients of fair funding are subject to audit by Arkansas Legislative Audit.

In accordance with Arkansas law, recipients of fair funding are subject to a decrease in future fair funding if the annual financial report is not submitted by the end of the calendar year. In

accordance with this guidance, future funding may be reduced by 50 percent if the annual financial report is not submitted by the end of the calendar year.

A link to an online form to submit the annual financial report will be provided to each fair by August 30 and will also be available on the Arkansas Department of Agriculture website at <https://www.agriculture.arkansas.gov/>

Information about Arkansas Legislative Audit can be found at <https://www.arklegaudit.gov/>

CONTINUING EDUCATION

Beginning in 2022, recipients of fair funding will be required to provide proof of yearly continuing education requirements in accordance with this guidance. In accordance with Act 700 of 2021, failure to provide proof of continuing education may result in a decrease in future funding.

The Arkansas Department has coordinated with the Arkansas Fair Managers Association on the establishment of continuing education requirements. To meet the requirements, fairs shall submit verification of attendance of at least six members of the county or district fair association at the Arkansas State Fair Managers Association annual seminar. The names of the attendees should be submitted along with the end-of-year financial report.

If less than six members attend the annual seminar, funding may be decreased by 10 percent for each member less than six, not to exceed a total of 50 percent reduction.

The reduction for failure to submit a financial report and failure to obtain continuing education are cumulative. For example, funding may be decreased 50 percent for failing to submit the financial audit AND another 50 percent for failing to obtain continuing education, resulting in zero funding.