

American Rescue Plan: Funding to State and Jurisdictional Humanities Councils

Frequently Asked Questions

The National Endowment for the Humanities (NEH) has received \$135 million in supplemental funding to assist humanities organizations and other cultural institutions affected by the coronavirus pandemic as part of the \$1.9 trillion [American Rescue Plan Act of 2021](#) (ARP) approved by the U.S. Congress and signed into law by President Joseph R. Biden.

The state and jurisdictional humanities councils (SHCs) (including NEH's interim partners in jurisdictions that lack a humanities council) are uniquely positioned to provide recovery funding to museums, libraries, archives, historic sites, and other nonprofits impacted by the pandemic in their state or jurisdiction. The SHCs serve the smallest and most vulnerable communities and institutions and are able to reach into areas that receive few other cultural resources. To help mitigate the effects of the pandemic, NEH will issue approximately \$51.6 million of the ARP appropriation directly to the SHCs to support:

- 1) subawards to eligible entities;
- 2) management and administrative costs for subaward programs; and
- 3) SHC-conducted programs consistent with the purpose of ARP.

The ARP press release and related FAQs are available on the [NEH website](#).

The following FAQs are **specific to SHCs**:

1. What is the purpose of the funds allocated to SHCs under the American Rescue Plan?

The primary purpose of ARP funding is to prevent, prepare for, respond to, and recover from the coronavirus.

2. How will NEH determine the amount of ARP funding for each SHC?

NEH will determine ARP funding amounts to the SHCs according to the formula set forth in its authorizing legislation ([20 U.S.C. 956\(f\)](#)).

3. How will NEH issue the ARP awards?

Since ARP funding requires separate tracking and reporting (activity and financial) than existing General Operating Support (SO) awards, NEH will issue ARP awards with different federal award identification numbers (FAINs). Different FAINs will reduce payment request errors and increase the efficiency of payment processing.

4. What is the period of performance for the ARP awards and subawards?

ARP award to SHCs:

The period of performance is mid-May 2021 through March 31, 2023.

Subawards made by SCHs:

All ARP subawards must be issued by November 30, 2021. Subaward activities must start no later than December 1, 2021 and must end no later than November 30, 2022. SHCs have the option of making subawards with a period of performance of less than one year based on the nature of the activity.

5. Why is the period of performance only 22 months?

Limiting the period of performance helps ensure the recovery funding is spent quickly and project activities are conducted in a timely manner.

6. Why must subrecipients' period of performances end before the SHC's period of performance?

NEH is providing additional time to allow SHCs to collect final performance and financial reports and close out subawards before providing final performance and financial reports to NEH. The period of performance is structured to provide subrecipients 90 days to submit reports to SHCs and an additional 30 days for SHCs to review information before the period of performance end date.

7. What are the reporting requirements?

SHCs must track the use of ARP funding separately from SO awards. They may not incur overlapping costs between ARP funding and costs charged to their SO awards or other federal awards.

NEH requires SHCs to submit the following reports:

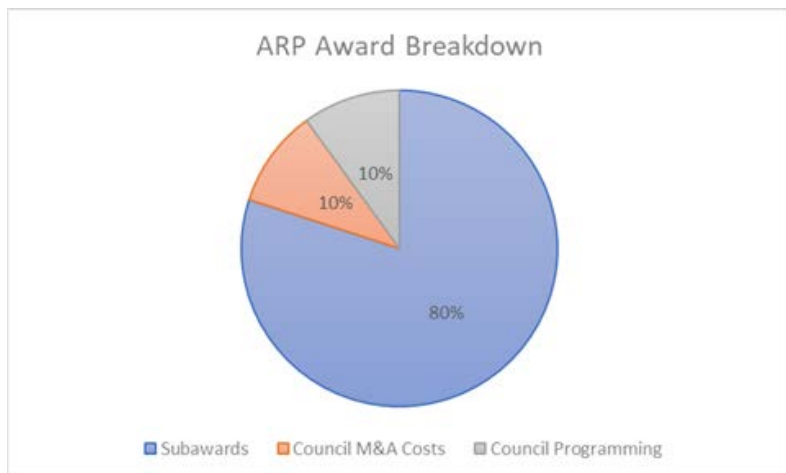
- Fed/State ARP annual budget using the Research & Related Budget Form and Budget Justification – Due 60 days after the period of performance start date. The budget projection must cover the entire period of performance.
- Subrecipient Selection Report – Due 30 days after all subawards have been issued.
- FFATA Reporting – Due to FSRS.gov no later than the end of the month following the month the subaward is made, in accordance with [2 CFR Part 170](#).
- Annual Performance Progress Report (PPR) – Due 30 days after the first year of the period of performance.
- Annual Federal Financial Report (FFR) – Due 30 days after the first year of the period of performance.
- Final Performance Progress Report (PPR) – Due 120 days after the period of performance.
- Final Federal Financial Report (FFR) – Due 120 days after the period of performance.

NEH will provide report templates. SHCs must submit their reports to NEH via eGMS Reach, unless otherwise instructed.

SHCs must follow the requirements for pass through entities at [2 CFR §200.332 \(d\)\(1\)](#).

8. What constitutes an appropriate use of ARP funding?

There are three categories of SHC ARP direct funding:



1. **Grantmaking programs** to eligible entities, through subawards, for humanities programming and general operating support;
2. **Management and administrative costs (M&A)**, not to exceed 10% of the total ARP award, cover costs associated with issuing and administering ARP subawards, including the hiring of temporary staff; and
3. **SHC-conducted humanities programs** help prevent, prepare for, respond to, and recover from the coronavirus. 10% of total funds are allocated for SHC programming; however, SHCs may increase this amount through rebudgeting of M&A costs, not to exceed 20% of total costs.

In reference to item 3), SHCs may use ARP funding to develop and implement programs that respond to the impact of the coronavirus including, but not limited to, convenings and capacity-building programs such as assistance and training related to transitions to digital or outdoor humanities programming, and strategic planning efforts.

In keeping with Congress's intent in enacting the ARP, to recover from the impact of the coronavirus at the state and jurisdictional levels, SHCs must issue the emergency ARP subawards no later than November 30, 2021.

SHCs may use ARP funding to issue subawards that support, among other activities:

- Humanities programming.
- General operating costs of humanities focused organizations.
- Strategic planning and capacity building efforts related to preparing, responding to, and recovering from the coronavirus. General capacity building efforts must be funded by SO awards.
- Technical / consultant needs related to a digital transition or in support of preservation and access programs ([equipment costs](#) cannot exceed 20% of a subaward).

- Expansion, due to the effects of the coronavirus, of outdoor and virtual humanities programming and engagement or similar activities to transition from traditional environments to those that are more accessible.
- Equity assessments and planning related to coronavirus and the economic crisis.

Organizations whose mission falls outside of the humanities and the humanistic social sciences (including the creation or performance of art; creative writing, autobiographies, memoirs, and creative nonfiction; and quantitative social science research or policy studies) are not eligible to receive funding for general operating costs under NEH ARP awards.

9. May a SHC claim indirect costs on its ARP award?

SHCs may claim indirect costs in accordance with [2 CFR §200.414](#). SHCs must include the method, rate and indirect cost base within their proposed budget.

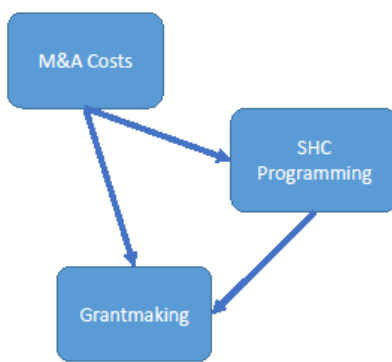
10. May SHCs rebudget across the three funding categories?

Yes. SHCs may rebudget across the three funding categories in limited circumstances.

Total **direct costs for M&A Costs and SHC humanities programs must not exceed 20% of the total award**. Otherwise, SHCs are permitted to rebudget according to the following guidance:

- M&A costs – Direct costs not to exceed 10% of total award costs. SHCs may rebudget M&A funds into SHC humanities programs consistent with the purpose of the ARP or towards the grantmaking program.
- SHC humanities programs – SHCs are allocated 10% (for direct costs) of total award costs but may rebudget up to an additional 10% (for a total of up 20%), without NEH prior approval. Funds may not be rebudgeted from the grantmaking program.
- Grantmaking program – Funds from either the M&A allocation or the SHC humanities program allocation may be rebudgeted into the grantmaking program. SHCs must not rebudget funds from this allocation into other direct cost categories.
- SHCs may use funds from any of the categories to cover indirect costs.

Allowable Rebudgeting



11. Are there any ARP funding restrictions?

Yes. SHCs may not use funds for the following purposes:

- unallowable expenses as defined in [2 CFR 200 Subpart E - Cost Principles](#)
- overlapping project costs with any other pending or approved application(s) for federal funding and/or approved federal awards
- management and administration costs in excess of 10% of the NEH award
- subawards to organizations that have not obtained and provided to the recipient a unique entity identifier
- fellowship programs
- subawards directly to individuals or consultants
- pre-award costs incurred before March 15, 2021
- cancellation costs
- equipment
- construction, purchase of real property, major alteration and renovation
- environmental sustainability
- collections acquisition
- promotion of a particular political, religious, or ideological point of view
- advocacy of a particular program of social or political action
- support of specific public policies or legislation
- lobbying
- programs and subawards that fall outside of the humanities and the humanistic social sciences (including the creation or performance of art; creative writing, autobiographies, memoirs, and creative nonfiction; and quantitative social science research or policy studies)

Organizations receiving subawards under this notice may not use the funds for the following purposes:

- unallowable expenses as defined in [2 CFR 200 Subpart E - Cost Principles](#)
- overlapping project costs with any other pending or approved application(s) for federal funding and/or approved federal awards
- funds for activities supported by other non-NEH federal funds
- competitive regranting
- cancellation costs
- pre-award costs dating to before March 15, 2021
- equipment costs in excess of 20% of total project costs
- travel (both foreign and domestic)
- construction, purchase of real property, major alteration and renovation
- environmental sustainability
- collections acquisition
- the preservation, organization, or description of materials that are not regularly accessible for research, education, or public programming
- promotion of a particular political, religious, or ideological point of view
- advocacy of a particular program of social or political action

- support of specific public policies or legislation
- lobbying
- projects that fall outside of the humanities and the humanistic social sciences (including the creation or performance of art; creative writing, autobiographies, memoirs, and creative nonfiction; and quantitative social science research or policy studies)

12. May SHCs use ARP funding to cover salaries of current staff members and contract support?

Yes. SHCs may use up to 10% of awarded ARP funding for management and administration (M&A) costs to administer the ARP subawards, including salaries of current staff who will manage the grantmaking program. See M&A costs for more information.

To cover the costs of administering ARP subawards, SHCs may charge effort of current staff dedicated to this activity, hire new staff that would be dedicated to issuing and administering ARP subawards, and/or engage contract support specific to managing ARP subawards.

13. What are Management & Administrative (M&A) Costs?

NEH is permitting SHCs to directly charge management and administrative (M&A) costs up to 10% of the total ARP award.

M&A costs are for activities directly related to the management and administration of the ARP subaward grantmaking program, such as financial management and monitoring. They must be based on actual expenses or known contractual costs. SHCs must include a detailed breakout and justification of M&A costs in the budget projection. Requests that are simple percentages of the award, without supporting justification, will not be allowed for reimbursement.

M&A costs are not general operational costs. They are the necessary costs incurred in direct support of, or as a consequence of, the management of the subaward program and should be allocated across the entire lifecycle of the award. Examples of M&A activities include:

- solicitation, review, and processing of applications and subawards;
- managing and monitoring subawards;
- preparing and submitting required programmatic and financial reports;
- establishing and/or maintaining equipment inventory;
- documenting operational and equipment expenditures for financial accounting purposes; and
- responding to official informational requests from federal oversight authorities.

Salaries treated as M&A costs may be charged as direct costs in accordance with [2 CFR §200.413\(c\)](#).

M&A costs must not be double charged as direct and indirect costs.

14. Can SHCs and subrecipients collaborate with state art agencies?

Yes. NEH encourages collaboration with state agencies. However, it is important to avoid overlapping costs and to ensure that the activity is within the humanities. Activities that fall

outside of the humanities and the humanistic social sciences (including the creation or performance of art) are unallowable.

15. Does the ARP funding require a cost share?

No. There is no matching or cost share requirement tied to these funds. SHCs must not require subrecipients to cost share or match for emergency relief funding, or imply that such a requirement exists.

If an ARP subrecipient commits cost share to an ARP subaward, an SHC may count it towards the match obligation for its general operating support award. Cost share may **only** be recovered from project-based subawards. SHCs must not claim cost share from general support subawards.

16. Must potential subrecipients register in SAM in order to receive an ARP subaward from an SHC?

No. Although still encouraged, subrecipient organizations funded under regular SO and/or ARP funding no longer have to register in the System for Award Management (SAM).

As a reminder: per [2 CFR 25](#), all subrecipient organizations funded in whole or in part with federal funds must obtain a [unique entity identification number](#) (currently a D-U-N-S® number) in order to receive federal financial assistance. SHCs may not use federal funds to issue a subaward to an organization that has not provided its unique entity identifier.

17. Is it necessary for SHCs to issue subawards through a competition?

Yes. In order to ensure an equitable distribution of funds, and as stated in item 4 of the [General Terms and Conditions for General Support Grants to State Humanities Councils \(for grants issued on or after December 26, 2014\)](#), SHCs must make subawards to provide support for humanities projects selected in open competition on the basis of established criteria that are publicly available. SHCs should broadly advertise ARP funding opportunities.

Councils must provide a period of public availability of at least 30 days for all subaward funding opportunities.

18. Are there any special encouragements for ARP subaward programs?

NEH strongly encourages SHCs to develop grantmaking programs directed at increasing equity and inclusion and/or directed at underserved and minority-serving institutions and organizations.

19. What are the eligibility criteria for the ARP subaward programs?

SHCs may limit subrecipient eligibility based on the specific design of their program (e.g., geography, institution type).

SHCs must limit eligibility to U.S. nonprofit organizations with 501(c)(3) tax-exempt status, accredited public and 501(c)(3) institutions of higher education, state and local governmental agencies, and federally recognized Native American tribal governments.

Individuals, foreign, and for-profit entities are not eligible as subrecipients.

20. May SHCs make fellowship or subawards to individuals?

No. As was the case with CARES Act awards, SHCs are not permitted to use ARP funds for fellowship programs or subawards to individuals or scholars.

21. What are the subaward application and review requirements?

- SHCs must give equal consideration to all eligible applicants; they may not restrict eligibility or give preference to members of a certain organization, consortium, or network.
- SHCs must not accept applications from individuals who are their own officers, employees, or members of the board of trustees or advisers until at least one year has elapsed since the person's last service in such a position. The same restriction applies to officers, employees, and board members of parent and subsidiary organizations.
- SHCs must not require an administrative or application fee.
- SHCs must publicize the availability of the NEH funded program, award amounts, and application procedures clearly and effectively, so that all potential applicants can learn of the opportunity. Publicity materials should include an explicit reference to the National Endowment for the Humanities and the American Rescue Plan Act of 2021. Consult [Acknowledgment and Publicity Requirements for NEH Awards](#) and [Publicizing Your Project](#) for guidance.
- SHCs must ensure applicants address how they have been adversely impacted by the pandemic in their applications, consistent with the purposes of the American Rescue Plan.
- SHCs must have documented procedures to govern the role of the review committee and selection standards.
- SHCs must ensure the fair and informed selection of subrecipients by relying on the recommendations of a review committee. SHCs may only make subawards with NEH funds to eligible applicants recommended by this selection committee, pending the availability of funding.
- SHCs must avoid real or perceived conflicts of interest in the composition of the selection committee and its deliberations.

22. What evaluation criteria does NEH suggest that SHCs use when making ARP subawards?

SHCs must ensure that:

- all applicants are eligible
- organizations have a unique entity identifier (currently a D-U-N-S® number)
- applicants have not been suspended or debarred
- applicants are not delinquent on federal debt

SHCs have flexibility to develop evaluation criteria based on their specific programmatic needs. Merit and other evaluation criteria should depend on the nature of the funding opportunity; however, all activity must be consistent with the purpose of the American Rescue Plan. SHCs must establish evaluation criteria and make them publicly available at the time of the open competition.

23. Are SHCs required to submit a proposed budget for ARP funding?

Yes. SHCs must submit a Research & Related (R&R) budget and budget justification 60 days after issuance of the ARP award. The deadline is included in the report schedule.

SHCs must prepare a proposed budget for the awarded ARP funds for each year of the period of performance using the R&R budget form. ARP funding must be tracked and accounted for separately from SO and CARES awards so SHCs must not include existing award funding from SO, CARES, or supplement awards on the R&R budget.

SHCs must clearly justify the budget request. The budget justification must specifically describe how costs have been calculated and how each item will support the proposed objectives. Include any quotes in the justification. Detail and quantify all subaward costs.

SHCs must issue subawards rather than contracts to subrecipients. SHCs should estimate the number of subawards and the approximate award sizes and include total amount on line F5. Subawards/ Consortium/ Contractual Costs. Within the justification, SHCs must explain costs associated with the three funding categories and proposed totals for each.

In the budget justification, SHCs should describe their subaward (grantmaking program), including how it will serve the needs of their targeted audience and the scope of projects they wish to fund.

All costs must be reasonable, necessary to accomplish project objectives, allowable in terms of [2 CFR 200 Subpart E - Cost Principles](#), auditable, and incurred no earlier than March 15, 2021. All costs are subject to audit, record retention, and other requirements set forth in [2 CFR 200, Subpart F](#).

If SHCs charge indirect costs to the project, ensure that expenses included in your indirect cost pool are not charged to the project as direct costs. M&A costs must not be charged twice as both direct and indirect costs.

24. Are there instructions for preparing the R&R budget?

Yes. See the appendix for detailed instructions.

25. How will SHCs know what projects/ entities NEH is funding directly?

SHCs may run reports in USASpending or use the “Search All Past Awards” feature on the NEH website at <https://securegrants.neh.gov/publicquery/main.aspx>.

26. How will SHCs know what projects/ entities are funded through the ARP: Humanities Grantmaking program?

SHCs will issue subawards before recipients of the ARP Humanities Grantmaking programs.

27. How will ARP funding impact an SHC's requirement for a single audit?

Recipients and subrecipients expending \$750,000 or more in federal funds from all sources during their fiscal year are required to have an audit performed that meets the requirements of [2 CFR 200, Subpart F – Audit Requirements](#).

SHCs must not delay their issuance of recovery ARP or regular SO subawards in an attempt to remain below the single audit threshold.

Reminders:

An SHC may discuss potential changes to its awards with its NEH program officer. However, the NEH Office of Grant Management is the only office authorized to issue the notice of action that changes the funding, scope, duration, or other terms and conditions of an award.

For more information regarding the coronavirus, please visit the website for the [Centers for Disease Control \(CDC\)](#).

Appendix: Instructions for Completing the Research and Related Budget

You must submit a project budget using the Research and Related Budget form included in the Grants.gov application package and attach a [budget justification](#).

Complete a single detailed budget for each year of the two-year period of performance. The form will generate a cumulative budget.

Required fields are indicated in yellow. Round to the nearest whole dollar amount in all dollar fields. The inclusion of a cost category on the Research and Related Budget does not automatically indicate that an expense is allowable in this program. See the FAQs for a list of unallowable costs. Carefully review these instructions to ensure that costs are not disallowed.

Include the total amount for subawards on line [F5. Subawards/Consortium/Contractual Costs](#). Applicants must issue subawards rather than contracts to subrecipients. Applicants should propose subaward amounts which best serve the needs of their targeted audience and the scope of projects they wish to fund.

No more than 10% of your budget can be allocated for management and administration (M&A) costs. M&A costs are for activities directly related to the management and administration of your award, such as financial management and monitoring; they must be based on actual expenses or known contractual costs. Requests that are simple percentages of the award, without supporting justification, will not be allowed or considered for reimbursement.

M&A costs are not general operational costs; they are the necessary costs incurred in direct support of, or as a consequence of, managing the subaward program and should be allocated across the entire lifecycle of the award. Examples of M&A activities include solicitation, review, and processing of applications and subawards; managing and monitoring subawards; preparing and submitting required programmatic and financial reports; establishing and/or maintaining equipment inventory; documenting operational and equipment expenditures for financial accounting purposes; and responding to official informational requests from federal oversight authorities. Salaries treated as M&A costs may be charged as direct costs in accordance with [2 CFR §200.413\(c\)](#).

M&A costs must not be charged twice as both direct and indirect costs. If you charge indirect costs to the project, ensure that expenses included in your organization's indirect cost pool are not also charged as direct costs. See [H. Indirect Costs](#).

All costs must be reasonable, necessary to accomplish project objectives, allowable in terms of [2 CFR 200 Subpart–E - Cost Principles](#), auditable, and incurred during the period of performance. All costs are subject to audit, record retention, and other requirements set forth in [2 CFR 200 Subpart F](#).

Introductory Fields

Indicate your organization's D-U-N-S® number, the name of your organization, and the period of performance start and end dates. Check "project" for budget type.

A. Senior/Key Person

Include the names of the project director and other senior/key persons who are employed by the SHC and who are involved in the project. Do not include collaborators at other institutions or consultants here, as they will be included in [F. Other Direct Costs](#).

Enter the base salary (annual compensation) and identify the number of months each senior/key person will devote to the project in the applicable box (i.e., calendar, academic, summer). Use either calendar months or a combination of academic and summer months.

Enter the requested salary and fringe benefits for each senior/key person. Per [2 CFR §200.431](#), fringe benefits are allowances and services provided by employers to their employees as compensation in addition to regular salaries and wages. Fringe benefits include, but are not limited to, the costs of leave (vacation, family-related, sick, or military), employee insurance, pensions, and unemployment benefit plans. The sum of requested salary and fringe benefits will be automatically calculated for each senior/key person.

Salaries and wages claimed must be in compliance with [2 CFR §§200.430](#) and [.466](#). Fringe benefits claimed must be in compliance with [2 CFR §200.431](#).

The form can accommodate up to eight senior/key persons. If you are requesting funds for additional senior/key persons, list them in a separate document using the same format as the Research and Related Budget. Save the document as a PDF named `additionalpersonnel.pdf` and attach it under "Additional/Senior Key Persons" If applicable, enter the total funds requested for personnel listed in the attachment in the "Total Funds requested for all Senior/Key Persons in the attached file" field.

B. Other Personnel

For each project role described below, identify the number of personnel proposed, the total number of months, total salary, and total fringe benefits requested as described in [A. Senior/Key Person](#). Totals will be automatically calculated.

Post-doctoral associates, graduate students, and undergraduate students

As a matter of programmatic policy, student costs are not allowed in this program. SHCs may hire people enrolled in degree granting programs, but their costs should be included under [A. Senior/Key Person](#) or elsewhere in [B. Other Personnel](#).

Secretarial/Clerical

In most circumstances, the salaries of administrative, secretarial, or clerical staff are included as part of indirect costs (see [H. Indirect Costs](#)). Per [2 CFR §200.413\(c\)](#), direct charging of salaries for administrative or clerical staff may be appropriate only if **all** of the following conditions are met:

1. Administrative or clerical services are integral to a project or activity.
2. Individuals involved can be specifically identified with the project or activity.
3. Such costs are explicitly included in the budget or have prior written approval of the federal awarding agency.
4. The costs are not also recovered as indirect costs.

In your [budget justification](#), document how direct charging for secretarial/clerical personnel (i.e., administrative and clerical staff) meets all four conditions. NEH may request additional information for these positions in order to assess allowability.

Additional Other Personnel

List any additional project role(s). The form can accommodate up to six named roles. If you have more than six, combine project roles here and explain in your [budget justification](#).

Salaries and wages claimed must be in compliance with [2 CFR §§200.413\(c\)](#), [.430](#), and [.466](#). Fringe benefits claimed must be in compliance with [2 CFR §200.431](#).

Do not list details of collaborators at other institutions or consultants here, as they will be included in [F. Other Direct Costs](#).

C. Equipment Description

As a matter of programmatic policy, purchase of equipment is not allowed for the recipient.

D. Travel

In light of the coronavirus pandemic and as a matter of programmatic policy, travel (both foreign and domestic) is disallowed in this program.

E. Participant/Trainee Support Costs

As defined in [2 CFR §200.1](#), participant support costs are direct costs for expenses such as stipends, travel allowances, subsistence allowances, and registration fees paid to or on behalf of participants (but not employees) in connection with conferences or training projects.

Per [2 CFR §200.432](#), a conference is defined as a meeting, retreat, seminar, symposium, workshop, or event, the primary purpose of which is the dissemination of technical information beyond the non-federal entity and is necessary and reasonable for successful performance under the federal award. For the purposes of the American Rescue Plan program, this could include activities such as technical assistance for prospective applicants, panel review (excluding honoraria for external selection committee members, if applicable), or workshops for subrecipients on how to manage their awards.

Justify participant support costs in your [budget justification](#). Arrangements made on a non-refundable basis are at the risk of the recipient or participant if the services must be cancelled for any reason.

Total participant support costs will be automatically calculated.

1. Tuition/Fees/Health Insurance

Leave this field blank.

2. Stipends

Applicants proposing grantmaking programs for individuals should enter total funds requested for stipends.

3. Travel

Leave this field blank.

4. Subsistence

Leave this field blank.

5. Other

Describe other participant support costs and enter the total funds requested for the costs described.

Number of Participants/Trainees

Leave this field blank.

F. Other Direct Costs

Total other direct costs will be automatically calculated.

1. Materials and Supplies

Enter the total funds requested for materials and supplies costing the lesser of the capitalization level established by the applicant or \$5,000, regardless of the length of its useful life. See [2 CFR §§200.314](#) and [.453](#).

In your [budget justification](#), indicate general categories, including an amount for each category (e.g., personal computers). Itemize categories totaling \$1,000 or more.

2. Publication Costs

Enter the total funds requested for publication costs, such as public reports disseminating results or best practices of subaward programs. You may request funds for the costs of documenting, preparing, publishing, or otherwise making available to others, the findings and products of the work conducted under the award. Include supporting information in your [budget justification](#).

3. Consultant Services

Include costs for honoraria for members of the external selection committee and detail in your [budget justification](#). As a matter of programmatic policy, these are the only allowable consultant costs for recipients.

Consultant fees must be in compliance with [2 CFR §200.459](#).

4. Automated Data Processing (ADP)/Computer Services

As a matter of programmatic policy, ADP/computer services costs are restricted. Personal computers and peripherals should be included in [Materials and Supplies](#).

5. Subawards/Consortium/Contractual Costs

Enter the total funds requested (both direct and indirect costs) for subawards to organizations. The entire estimated amount for the grantmaking program should appear on this line.

Per [2 CFR §§200.1](#) and [.331\(a\)](#), a subaward is an award provided by a pass-through entity to a subrecipient to carry out part of a federal award. Payments to contractors (as defined in [2 CFR §200.1](#) and [.331\(b\)](#)) or payments to individuals who are beneficiaries of federal programs are not considered subawards.

Per [2 CFR §25.300](#), recipients may only issue subawards with federal funds to organizations that have obtained and provided to the recipient a unique entity identifier. Subrecipients are not required to complete registration with the [System for Award Management \(SAM\)](#) to obtain a unique entity identifier. See [D3. Unique Entity Identifier and System for Award Management](#).

If you are requesting funding for contractor costs to manage your grantmaking program, itemize the costs associated with contract in your [budget justification](#), using the same categories on the Research and Related Budget, if known. See [2 CFR §§200.331](#) and [.332](#).

Contractual costs are occasionally sufficiently high enough to warrant a categorical breakdown of costs. When this is the case, provide detailed information in your [budget justification](#). NEH may request additional information in order to assess reasonableness and allowability.

6. Equipment or Facility Rental/User Fees

As a matter of programmatic policy, equipment or facility rental and user fees are restricted.

7. Alterations and Renovations

Leave this line blank. Per [2 CFR §200.462](#), costs incurred for ordinary and normal rearrangement and alteration of facilities are allowable as indirect costs.

8-10. Other

List items not previously included in other budget categories or in the indirect cost pool. “Other” project-specific costs may include promotion, acquisition fees, rights, evaluation and assessment fees, and access accommodations (e.g., audio description, sign-language interpretation, closed or open captioning, large-print brochures/labeling). Itemize and justify costs in your [budget justification](#). “Miscellaneous” and “contingency” are not acceptable budget categories.

Per [2 CFR §200.438](#), social and entertainments costs are not allowed. Per [2 CFR §200.423](#), alcoholic beverages are unallowable.

G. Total Direct Costs

Total direct costs will be automatically calculated.

H. Indirect Costs

Indirect costs are costs that are incurred for common or joint objectives and therefore cannot be readily identified with a specific project or activity of an organization. Indirect costs include such expenses as the depreciation on buildings, equipment, and capital improvement; operations and maintenance expenses; accounting and legal services; and salaries of executive officers.

Indirect costs are computed by applying a federally negotiated indirect cost rate to a distribution base, usually the project’s modified total direct costs (MTDC).

An organization that wishes to include indirect costs in its budget but does not have a federally negotiated indirect cost rate may choose one of the following options:

1. direct cost all expenses;
2. submit an indirect cost proposal to their cognizant federal agency to negotiate a rate within three months of the effective date (period of performance start date) of the

- award (subrecipients may negotiate a rate with the recipient consistent with the requirements outlined in [2 CFR §200.414](#)); or
3. charge a de minimis rate of 10% of MTDC (see [2 CFR §200.414\(f\)](#))

Except as provided in paragraph (c)(1) of [2 CFR §200.414](#), federal agencies must use the negotiated rate(s) in effect at the time of the initial award throughout the life of the federal award. Award levels will not be adjusted in future years as a result of changes in negotiated rates. Except as provided in [2 CFR §200.414](#), when an educational institution does not have a negotiated rate with the federal government at the time of an award (because the educational institution is a new recipient or the parties cannot reach agreement on a rate), the provisional rate used at the time of the award must be adjusted once a rate is negotiated and approved by the cognizant agency for indirect costs. If the recipient fails to negotiate an indirect cost rate applicable to the period of performance within the period of performance, indirect costs may be disallowed. NEH will restrict payment of indirect costs until a fixed, final, or predetermined indirect cost rate agreement is provided by the recipient.

Per [2 CFR §200.1](#), MTDC are all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and up to the first \$25,000 of each anticipated subaward (regardless of the period of performance of the subaward). MTDC exclude equipment, capital expenditures, rental costs, tuition remission, scholarships and fellowships, participant support costs, and the portion of each subaward in excess of \$25,000.

If applicable, include a copy of your federally negotiated indirect cost rate agreement.

Indirect Cost Type

Enter the type of indirect cost rate (e.g., other sponsored activities, all programs, instruction, 10% de minimis, etc.) and base (e.g., salaries, salaries & fringe, MTDC, etc.) and whether the activity and rate are onsite or off-site. If your budget includes more than one indirect cost rate or base, list them as separate entries. If you do not have a current indirect rate(s) approved by a federal agency but intend to (re)negotiate, indicate "None--will negotiate." If needed, provide additional detail in your [budget justification](#).

Indirect Cost Rate (%)

Enter the most recent indirect cost rate(s) established with your cognizant federal agency. Enter your rate as a number without special characters (i.e., 32.5).

Indirect Cost Base (\$)

Enter the base for each indirect cost type. Describe any exclusions in your [budget justification](#). If applicable, refer to your federally negotiated indirect cost rate agreement to determine how to calculate your indirect cost base.

Funds Requested (\$)

Enter the funds requested for each indirect cost type.

Total Indirect Costs

Total indirect costs will be automatically calculated.

Cognizant Federal Agency

Enter the name of your cognizant federal agency, if applicable.

I. Total Direct and Indirect Costs

Total costs will be automatically calculated.

J. Fee

Leave this field blank.

K. Total Costs and Fee

This field will be automatically calculated. Since there is no fee, this will be the same amount as [I. Total Direct and Indirect Costs](#).

L. Budget Justification

A budget justification is required. Save the document as a PDF named justification.pdf. Attach only one file. Do not use your budget justification to expand your narrative.

Provide the information requested to support your budget. You must justify SHC-conducted programs in support of ARP costs, M&A costs, [participant/trainee support](#), and [other direct costs](#). Describe the grantmaking program, estimated total amount, estimated number of awards, and estimated award size(s).

Your budget justification must specifically describe how costs have been calculated and how each item will support the proposed objectives. If you have a quote(s), include it here.