

## American Rescue Plan Grants to Local Arts Agencies

### FREQUENTLY ASKED QUESTIONS

Before reviewing these FAQs read through the [Specific Terms and Conditions: For the American Rescue Plan Grants to Local Arts Agencies](#). It is available on the National Endowment for the Arts website and is included in your award's Documents Tab in [REACH](#). Many of your questions will already be answered in the Specific Terms.

The NEA is grateful for the opportunity to help the arts sector recover from the COVID-19 pandemic through funding from the American Rescue Plan. Our agency recognizes this moment as an opportunity for the sector not just to reestablish old ways of operating, but to rebuild in a way that works better for all arts organizations.

We hope the following FAQs begin to answer your technical grants management questions to help you successfully manage your award.

Please bookmark this page - <https://www.arts.gov/grants/manage-your-award> - on the NEA website for quick access to documents and resources to manage your award.

Contact the Office of Grants Management with all award management questions at [grants@arts.gov](mailto:grants@arts.gov).

#### **FREQUENTLY ASKED QUESTIONS SUMMARY**

- (1) What are the required review criteria for ARP LAA subgrant awards?
- (2) May LAAs utilize any of the ARP funds for their own use?
- (3) What organizations are eligible subgrant recipients of NEA ARP funds?
- (4) What are the allowable costs that may be supported with subgranted ARP Funds?
- (5) May LAAs make awards to 501(c)(3) fiscal agents/sponsors for regranting to or on behalf of organizations that do not have 501c3 status?
- (6) May LAA ARP subgrantees also receive ARP support through NEA direct grants, i.e., "Double Dipping"?
- (7) What requirements should be included in your subaward guidelines?
- (8) How should LAAs assess risk for potential subaward recipients?
- (9) How do LAAs request ARP funds?
- (10) When and How do LAAs report on ARP awards for subgranting?

#### **FAQS**

- (1) **QUESTION: What are the required review criteria for ARP LAA subgrant awards?**

**ANSWER:** In accordance with the NEA's legislation, all NEA subgranting programs must use Artistic Excellence and Artistic Merit as part of the application adjudication review criteria. For more detailed information, see the [Specific Terms and Conditions: For the American Rescue Plan Grants to Local Arts Agencies](#) that govern your NEA award. However, LAAs have the latitude to define these criteria relative to the purposes of your ARP subgranting program.

Examples of how the required review criteria are defined for different NEA grant programs

Click the links to review the required review criteria for the Arts Endowment's [ARP Direct grants](#), [Grants for Arts Projects](#), [Challenge America](#), and [Our Town](#) programs. All utilize the required review criteria of Artistic Excellence and Artistic Merit, but have defined them slightly differently to align with the goals and purposes of the respective funding categories.

**(2) QUESTION: May LAAs utilize any of the ARP funds for their own use?**

**ANSWER:** Yes, but only if the LAA's approved award budget includes administrative funds to support eligible operating costs associated with the administration of their subgranting program. **Check your award files in REACH to view your approved award budget and approved costs.**

★ **If you did not include administrative costs in your ARP subgranting budget and would like to do so post-award, you must submit a change request through REACH for an amendment.**

**NOTICE: Amendment requests are reviewed on a case-by-case basis and approval is not guaranteed.**

ALLOWABLE administrative costs are limited to any or all of the following:

- Salary support, full or partial, for one or more staff positions.
- Fees/stipends for contractual personnel to support the services they provide for specific activities. Jobs or positions supported through ARP may be existing or new.
- Facilities costs such as rent and utilities, e.g., electric, phone, gas bills.
  - *Note:* Costs related to home offices, upgrades to HVAC/ventilation systems, and other capital improvements are UNALLOWABLE.
- Costs associated with health and safety supplies for staff and/or visitors/audiences (e.g., personal protective equipment, cleaning supplies, hand sanitizer, etc.).
- Costs associated with marketing, promotion, and applicant/grantee technical assistance.

**(3) QUESTION: What organizations are eligible subgrant recipients of the National Endowment for the Arts ARP funds?**

**ANSWER:**

**A. Eligible ORGANIZATIONAL Entities:**

- Nonprofit, tax-exempt 501(c)(3), U.S. organizations, including nonprofit colleges and universities

- Federally recognized tribal communities or tribes
- Units of State or Local government

**IMPORTANT:** For-Profit entities and Fiscal Sponsors/Agents are not eligible subrecipients. See FAQ #5 for more information on Fiscal Agents/Sponsors.

## B. INDIVIDUALS:

If your agency is permitted to make awards to individuals, you may allocate ARP funds to those qualified individuals. Support to individual artists may be allowable if the subaward is not a one-time monetary recognition award.

**Subawards to individuals must support specific activities or work such as presentations, training, research, and/or creation of an artwork, with tangible outcomes required by the subaward. This is considered a stipend to the artist for the work undertaken and completed.**

**UNALLOWABLE** grants to INDIVIDUALS include:

- Support for a one-time award to honor or recognize an individual’s achievement. (e.g., Lifetime Achievement Awards)
- Fellowships or other honorifics based on the quality of past work.
- Support for rent or food assistance, or any type of “artist relief” program where the funding is to alleviate financial hardship and does not require the artist to undertake and complete work.
- Support exclusively for the business expenses of individual artists (e.g., general operating support for individuals.)

### (4) **QUESTION:** What are the allowable costs that may be supported with subgranted ARP Funds?

#### **ANSWER:**

**A.** For **ORGANIZATIONAL RECIPIENTS**, ARP subgranting funds are intended to support day-to-day business expenses/operating costs.

Subgranting support is limited to any or all of the following ALLOWABLE costs:

- Salary support, full or partial, for one or more staff positions.
- Fees/stipends for artists and/or contractual personnel for services they provide for specific activities in support of your organization’s general operations.
- Costs associated with health and safety supplies for staff and/or visitors/audiences (e.g., personal protective equipment, cleaning supplies, hand sanitizer, etc.).

- Facilities costs such as rent and utilities, e.g., electric, phone, gas bills.
  - *Note:* Costs related to home offices, upgrades to HVAC/ventilation systems, and other capital improvements are **UNALLOWABLE**.
- Marketing and promotion costs.

**NOTE:** Allowable costs under the ARP LAA subgranting program are different than the allowable costs for the NEA’s Grants for Arts Projects LAA subgranting awards, which are for subgrants for project support and cannot be used to support general operating expenses.

Examples of ALLOWABLE Costs for ARP Subgranting Awards to ORGANIZATIONS:

- A museum contracts with security guards for ongoing protection of the collection (a regular function of the museum’s operations).
- An organization hires/contracts with IT experts to address its website as part of ongoing marketing and promotion (an allowable cost), or to upgrade technology to improve virtual engagement.
- An arts education organization whose day to day work is developing and presenting educational programs contracts with a teaching artist to design or deliver a program.
- An organization hires/contracts tech support to carry out its ongoing virtual activities in response to COVID-19, including individuals to provide expertise in the areas of staging, lighting, or sound.

**NOTE:** Contracting for a new professional development training program for staff is not permissible as it is new and programmatic, but support for a training officer’s salary is permissible as that is operational.

**B. ALLOWABLE Costs Subawards to INDIVIDUALS:**

- Artist fees/stipends to carry out specific projects and activities consistent with the programmatic objectives of the subgranting agency.

**(5) QUESTION: May LAAs make awards to 501(c)(3) Fiscal Agents/Sponsors for regranting to or on behalf of organizations that do not have their own 501(c)(3) status?**

**ANSWER: No.** As federal funds do not lose their federal identity no matter how many times they are re-granted, the ultimate recipients of the funds must also be eligible recipients of NEA funds. Therefore, an ineligible organization (i.e., one without its own 501(c)(3) nonprofit status) **may not** use a fiscal sponsor/agent for the purpose of submitting an application to a subgrant program funded with NEA funds.

In addition, **the only entities legally eligible to re-grant NEA funds are state arts agencies (SAAs), regional arts organizations (RAOs), and designated LAAs.** Any other 501(c)(3) organization that receives ARP funding are not allowed to further regrant the funding, which precludes it from serving as a fiscal agent organization.

**IMPORTANT:** While an organization that serves as a fiscal sponsor/agent may not apply for projects on behalf of the entities or individuals that it may sponsor as part of its mission and programs, **it may apply for its own programs and activities.** In this case, the organization must clearly demonstrate that it is applying only for its own programmatic activities.

**(6) QUESTION: May LAA ARP subgrantees also receive ARP support through NEA Direct Grants?**

**ANSWER:** The NEA does not prohibit its Direct ARP grantees from receiving ARP support through other sources, including from LAAs. However, if they do receive ARP funds from multiple sources (SAA and LAA grants, for example), there may be:

- No commingling of federal funds and
- No overlapping of project costs, i.e., federal funds from different sources may not support the same expenses during the same period of time.

Recipients are required to keep documentation to show which costs are being supported by each funding source.

**It is up to the discretion of each LAA to design the eligibility policies for their own subgrant programs as long as the policies are in compliance with 2 CFR 200, the NEA General Terms and Conditions, and the ARP Subgranting Specific Terms and Conditions.** You may choose to incorporate policies that allow, discourage, or do not allow your ARP grantees to receive direct ARP funds from the NEA or any other source.

**(7) QUESTION: What requirements should be included in your subaward guidelines?**

**ANSWER:** Your agency's subaward program guidelines (or **Notice of Funding Opportunity**) must include flow-down federal regulations and policy requirements so that potential applicants understand and are prepared to comply if they are selected for a subaward. See the **Appendix C: National Policy and Other Legal Requirements, Statutes, and Regulations that Govern Your Award** in the [Specific Terms and Conditions: For the American Rescue Plan Grants to Local Arts Agencies](#). These include requirements that prohibit discrimination, ensure accessibility of all facilities and programs funded with federal monies, provide for the protection of environmental and historic resources, and more.

**Review Criteria** - In accordance with the NEA's enabling legislation, you must include "artistic excellence and artistic merit" in the review criteria used to make the subgrant awards (20 USC Sec. 951 et seq.).

**Unique Entity Identifier (UEI)** - You may not make a subaward with federal funds to an eligible organization (entity) without a unique entity identifier, which is currently a DUNS number. You must notify potential subrecipients that they cannot receive a subaward from you unless they provide a valid UEI.

★ **UEI NOTICE:**

On **April 4, 2022**, the federal government will switch from the use of the DUNS number to the *new* SAM.gov UEI as the primary means of entity identification for federal awards government-wide. There is a helpful video, *Get a Unique Entity ID (SAM)*, from the General Services Administration (the Federal Agency tasked with maintaining SAM) about obtaining a UEI without having to register as an entity with SAM here: [https://www.youtube.com/watch?v=4Hqs\\_LOB5kl](https://www.youtube.com/watch?v=4Hqs_LOB5kl).

**Individuals receiving subawards do not need to have a UEI/DUNS.**

**(8) QUESTION: How should LAAs assess risk for potential subaward recipients?**

**ANSWER:** In accordance with the Specific Terms and (2 CFR 200.332(b), (c), and (e), you must evaluate each subrecipient's risk of noncompliance with federal statutes, regulations, and the terms and conditions of the subaward and consider imposing specific subaward conditions.

LAAs may consider the following for each potential subgrantee:

1. Financial stability
2. Management systems and standards. Quality of management systems and ability to meet the management standards required by the award;
3. History of performance. If a prior grant recipient, the applicant's record in managing prior awards, including timeliness of compliance with applicable reporting requirements, and conformance to the terms and conditions of previous awards;
4. Ability to effectively implement requirements. The applicant's ability to effectively implement statutory, regulatory, or other requirements imposed on recipients.

**(9) QUESTION: How Do LAAs Request Payment of ARP Funds?**

**ANSWER:** You will use REACH to submit your request for NEA ARP funds, which are issued via ACH (Automated Clearing House) transfer.

- Award funds are NOT automatically disbursed, nor do we issue checks.
- Carefully read the instructions for completing and submitting your request.
- To help us process your request as quickly as possible, ensure your registration and banking information are correct and up-to-date in SAM before submitting the request.
- The NEA cannot release funds if your SAM registration is expired or if SAM shows that your organization has delinquent federal debt subject to offset.
- Reimbursement requests must be based on actual, documentable expenditures corresponding to the approved award budget. Do not reiterate your approved budget and do not include unallowable costs in your total project outlays.
- You may request funds on a monthly, quarterly, or other as-needed basis. This may even be just one request.
- **IMPORTANT:** Each request must reflect allowable award-related expenses already incurred (a reimbursement) and/or expenses expected to be incurred within thirty (30) calendar days from the date of the request (an advance).
- All allowable award costs must be incurred within the approved period of performance.
- For detailed information on requesting grant funds, please review [How to Manage Your NEA Award Handbook](#).

**(10) QUESTION: When and How do LAAs Report on ARP Awards for Subgranting?**

**ANSWER:** Your ARP Subgranting Award final reports will be due **120 days** after the end date of your Period of Performance per the Reporting Schedule in your award materials available in your REACH account.

We strongly recommend that you review these reports **before** creating your ARP subgranting program guidelines so that applicants will also be aware of federal reporting requirements for ARP funds.

You must submit the following Final Reporting Requirements:

- **Final Descriptive Report - American Rescue Plan LAAs that Subgrant**
- **Local Arts Agency Subgrant Report - Spreadsheet Report**
  - Click directly on the template to see exactly what your subgrantees will need to report.
- **Federal Financial Report**

See <https://www.arts.gov/grants/manage-your-award/awards-to-organizations-final-reporting> for more information regarding final reporting requirements.

**NOTE:** Subrecipients must submit their required final reports to you no later than **90 days** from the end of the period of performance for the subaward. See [Specific Terms and Conditions: For the American Rescue Plan Grants to Local Arts Agencies](#).