



NATIONAL ENDOWMENT FOR THE ARTS

**INSTRUCTIONS FOR COMPLETING
THE FEDERAL FINANCIAL REPORT (SF-425)
FY18 and Later Awards**

February 2018

The **Federal Financial Report** form, or FFR, is part of the National Endowment for the Arts (NEA) final report package. It represents the final project accounting and is submitted with the other final report package components to the NEA Grants & Contracts Office through REACH. It is due no later than 90 calendar days after the award end date. Any reference to "Grant" in this document and on the form includes cooperative agreements.

Though the FFR is a web form, the fields are exactly the same as on a standard Federal Financial Report (SF-425). Some fields are pre-filled in REACH. IF ANY OF THE PRE-FILLED INFORMATION IS INCORRECT, STOP YOUR WORK AND CONTACT THE NEA FOR GUIDANCE.

Access the FFR web form through REACH by logging into your account and selecting the correct award. Go to the **Reports** tab and click on the black pen next to Federal Financial Report to open up the report's window. Follow the instructions for completing and saving the report. If you have questions, please contact us at finalreports@arts.gov or call (202) 682-5403.

SECTIONS 1-9 (Basic Awardee Information)

1. **Federal Agency and Organizational Element to Which Report is Submitted.** Auto-filled.
2. **Federal Grant or Other Identifying Number Assigned by Federal Agency.** Auto-filled.
3. **Recipient Organization.** Auto-filled.
- 4a. **DUNS Number.** Auto-filled.
- 4b. **EIN.** Auto-filled.
5. **Recipient Account Number or Identifying Number (Optional).** If your organization assigns its own internal identifying number to track awards you may enter it here. This number is not required by the NEA. You may leave this block empty.
6. **Report Type.** Indicate "Final."
7. **Basis of Accounting.** Specify whether your organization used a cash or accrual basis for recording transactions related to the award and for preparing the FFR.
 - Cash basis of accounting refers to expenses recorded when they are paid.
 - Accrual basis of accounting refers to the accounting method in which expenses are recorded when incurred.
8. **Project/Grant Period.** Pre-filled, BUT if the entire NEA-supported project did not take place within these dates, you need to request a time amendment before you submit your FFR. See the [How to Manage your NEA Award Handbook & eGMS REACH](#) for instructions regarding amendments.
9. **Reporting Period End Date.** Auto-filled.

SECTION 10, TRANSACTIONS

IMPORTANT

The expenses reported on your FFR should be consistent with the line items in your approved project budget. During a pre-award review, we may have made adjustments to your budget to bring the costs into compliance with the terms of your award. Any adjustments were noted on the Terms & Conditions document (which can be found under the **Documents** tab for your award in REACH). We may also have made adjustments if you requested a budget amendment. Take note of these changes when compiling figures for your FFR.

We understand that the project budget was your best estimate at the time of submission and know that actual costs vary from projections. On the FFR, you will report *actual* expenditures only.

Review your accounting and supporting documentation (such as invoices, contracts, receipts, checks, transaction reports, and bank statements) and report only actual, allowable, documented costs on the FFR. You are not required to submit supporting documentation unless we request it, but you must keep it on file for three years from the FFR submission date. All costs reported on your Federal Financial Report are subject to federal audit.

Unallowable costs such as receptions, galas, general fundraising efforts, special donor events, and prizes must not be included in the costs reported on the FFR. All project expenditures must meet federal requirements even if paid with your own funds (cost share/match).

The recipient share of expenditures should include the value of allowable third party, in-kind contributions and indirect costs as approved by the NEA.

All costs, including those paid for with cost share/matching funds, must be incurred within the period of performance, though you have 90 days to liquidate expenses after the period of performance ends. When requesting funds at the time of final report submission, Section 9 of the Payment Request and Section 10 of the FFR must note the same final project costs.

See the Appendix for examples of how to complete Section 10 of the FFR.

Federal Expenditures and Unobligated Balance

(Lines 10a-c, 10i, and 10k-o of the standard FFR are not included on the web form because the NEA does not collect that data.)

10d. Total Federal funds authorized: Enter the NEA award amount.

10e. Federal share of expenditures: Enter the amount of NEA funds expended. Generally this will be the full amount of the NEA award, unless you did not use all the funds. If you are requesting a final payment along with your final report, include the total amount here.

10f. Federal share of unliquidated obligations: You have 90 days from the end date of the award to expend the NEA's funds whether you use the accrual or cash basis of accounting. By the time you submit this form, this line should be zero, even if the FFR is submitted in conjunction with a final payment request, as all incurred costs should have been paid (liquidated). If there are unliquidated NEA funds, you must either:

- (1) submit a request for a time extension to liquidate those costs; or
- (2) return the unused NEA portion; or
- (3) tell us that you do not intend to request the remaining funds. The remaining funds will be de-obligated by the NEA and will no longer be available to you.

10g. Total Federal share (sum of lines 10e and f): Auto-calculated.

10h. Unobligated balance of Federal funds (line 10d minus g): Auto-calculated. This line shows the amount of NEA funds you have not used and/or funds that you have drawn down but will be returning to the NEA. If there is an amount other than \$0 on this line, please provide a brief explanation in Section 12.

Recipient Share

10j. Recipient share of expenditures: Subtract the NEA award amount from the final project cost to calculate the amount of your cost share/match. Calculations must be based on actual documented expenditures.

For most awards, you must show at least a 100% cost share (1:1 match). For many awards, the actual reported amount of your match will exceed the 1:1 requirement.

SECTION 11, INDIRECT EXPENSES

Complete this section only if:

- an indirect cost rate agreement, established with a federal agency, was included in your application and approved for this award, or
- your organization requested up to the 10% de minimis rate and it was approved for this award.

11a. Type: Select rate type from the dropdown menu: Provisional, Predetermined, Final, or Fixed. If your award period spanned more than one indirect cost rate period, use a separate line for each relevant rate. If claiming the de minimis rate, select Final and type "de minimis" in section 12.

11b. Rate: Enter the indirect cost rate(s) in effect during the reporting period. Enter an amount no greater than 10% if you were approved for the de minimis rate.

11c. Period From; Period To: Enter the beginning and ending effective dates for the rate(s). Not applicable for the de minimis rate.

11d. Base: Enter the amount of the base against which the rate(s) was applied. If claiming the de minimis rate, the base is your modified total direct costs. 2 CFR 200.68

11e. Amount Charged: Enter the amount of indirect costs charged during the time period specified.

11f. Federal Share: Enter the federal share of the amount in 11e.

11g. Totals: Auto-calculated.

SECTIONS 12-13, Remarks and Authorization

12. Remarks. Enter any explanations or additional information here. You may include information about unused NEA funds, funds being returned to the NEA, indirect costs, etc.

13. Certification. By clicking on the Submit Report button, you are agreeing to the certifications at the bottom of the FFR form.

SUBMITTING THE FFR and MAKING CORRECTIONS

Click on the **Submit Report** button at the bottom of the form when your FFR is complete. Until NEA staff selects your final report for review, the status of this report in REACH will be "Submitted." You may only make corrections to your FFR while it is in "Submitted" status. If you status is "Under Review" and the FFR requires corrections, NEA staff will provide access to the FFR.

APPENDIX, Examples for Section 10

Though the web form looks different, the line numbers in these examples correspond exactly to the FFR form in REACH.

Example A: Most Common Scenario

If you had a \$10,000 award and incurred \$26,352 in allowable project costs, Section 10 of your FFR might look like this:

10. Federal Expenditures and Unobligated Balance:	
d. Total Federal funds authorized	d. \$10,000
e. Federal share of expenditures	e. \$10,000
f. Federal share of unliquidated obligations	f.
g. Total Federal share (sum of lines e and f)	g. \$10,000
h. Unobligated balance of Federal funds (line d minus g)	h.
10. Recipient Share:	
i. Total recipient share required	
j. Recipient share of expenditures (Non-NEA share)	j. \$16,352
k. Remaining recipient share to be provided	k.

Thus $10g + 10j = \$26,352$. Note: some grantees may meet or exceed the required match (cost share) but still only use a portion of the NEA award funds. If, for any reason, you will not be requesting the full amount of your award, follow Example B below.

Example B: Unobligated NEA Funds (Not Claiming Full Award)

If you had a \$10,000 award with a standard 1:1 matching (100% cost share) requirement, but only incurred \$16,240 in allowable project costs, you have not met the required match. In this case, the NEA can support no more than half of the total project cost. Use Lines 10e and 10g to show the reduced NEA share of costs, and Line 10h to show the unspent NEA award balance. Verify your intent with a note in Section 12. Your FFR might look like this:

10. Federal Expenditures and Unobligated Balance:							
d. Total Federal funds authorized						d. \$10,000	
e. Federal share of expenditures						e. \$8,120	
f. Federal share of unliquidated obligations						f.	
g. Total Federal share (sum of lines e and f)						g. \$8,120	
h. Unobligated balance of Federal funds (line d minus g)						h. \$1,880	
10. Recipient Share:							
i. Total recipient share required							
j. Recipient share of expenditures (Non-NEA share)						j. \$8,120	
k. Remaining recipient share to be provided						k.	
Program Income:							
l. Total Federal program income earned							
m. Program income expended in accordance with the deduction alternative							
n. Program income expended in accordance with the addition alternative							
o. Unexpended program income (line l minus line m or line n)							
11. Indirect Expense	a. Type	b. Rate	c. Period From	Period To	d. Base	e. Amount Charged	f. Federal Share
					g. Totals:		
12. Remarks: Attach any explanations deemed necessary or information required by Federal Sponsoring agency in compliance with governing legislation: Balance of \$1,880 will not be requested.							