

This year, to aid the arts community during the COVID-19 pandemic, Congress included language in the Consolidated Appropriations Act, 2021 (P.L. 116-260) that allows the National Endowment for the Arts (Arts Endowment) to change certain awards issued in Federal Fiscal Years 2019-2021 from approved project-based support to general operating support. Interested grantees must review the information below to determine eligibility and prepare appropriate documentation to request a General Operating Support Waiver.

Please read through this entire document before initiating a change request for your award(s).

ELIGIBILITY

Only certain awards are eligible for a General Operating Support Waiver, as noted in the chart below. Awards that are already closed out are ineligible, as are awards that are more than 150 days past the end of their period of performance. The Arts Endowment will only review General Operating Support Waiver requests for eligible awards; requests for ineligible awards will not be processed.

PROGRAMS ELIGIBLE FOR THE WAIVER	PROGRAMS <u>NOT</u> ELIGIBLE FOR THE WAIVER
Art Works: FY 2019 – 2020 <u>Except:</u> → designated Local Arts Agencies with subgranting projects → Art Works: Research	CARES Act
Grants for Arts Projects: FY 2021 <u>Except:</u> → designated Local Arts Agencies with subgranting projects	Cooperative Agreements
Challenge America: FY 2019 - 2020	Partnership Agreements
Arts Engagement in American Communities: FY 2019 - 2021 → Pending AEAC applicants should contact Mary Sellers at sellersm@arts.gov	Leadership awards - including awards made through the Chairman’s delegated authority extraordinary action
Our Town: FY 2019 - 2021	Shakespeare in American Communities
	Creative Writing Fellowships, including Translation Projects
	Research Grants in the Arts

ELIGIBLE COSTS

The following **ALLOWABLE** expenses may be included in your general operating support budget:

- **Salaries, wages, and fringe benefits for personnel**, administrative and artistic, who are paid on a salary basis. Note: Costs related to fundraising personnel are limited to time spent to raise the required minimum cost share/match for this award. Costs related to fundraising events, such as galas or receptions, are unallowable.
- **Fees for artists and contractual personnel**
- **Facilities costs**, such as rent and utilities.
- **Supply costs**, such as personal protective equipment, cleaning and janitorial supplies, office supplies, art supplies, computer software/hardware, etc.
- Generally, **equipment costs**. If the equipment exceeds the \$5,000 per unit cost threshold with a useful life of more than one year, you must specify the type of equipment being purchased, the unit cost, and a justification of the necessity of the purchase.
- **Marketing and promotion costs**
- **General overhead/administrative costs**
- **Indirect costs** (general overhead/administrative costs may not be claimed as direct AND indirect costs)

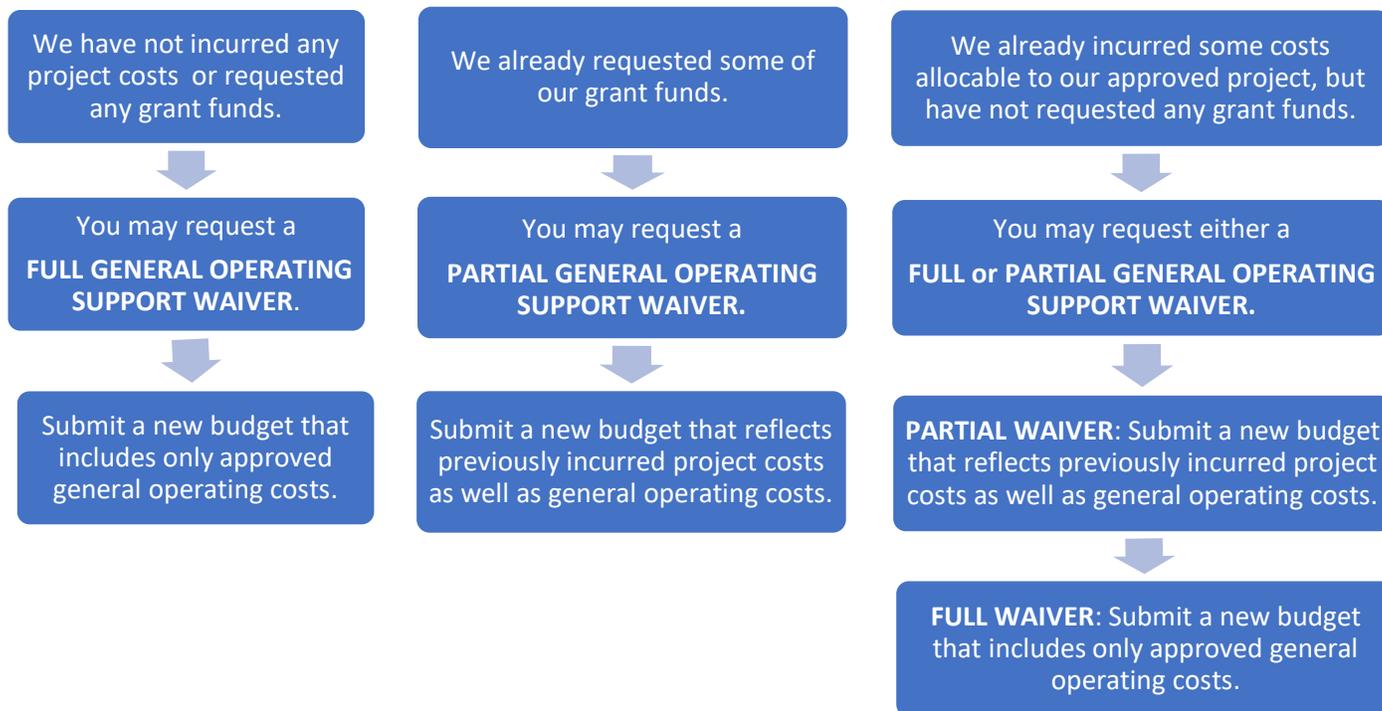
The General Operating Support Waiver is intended to support only day-to-day business expenses. In addition to project-specific costs, the following **UNALLOWABLE** expenses must not be included in your general operating support budget:

- Costs listed in the “We Do Not Fund” section of the applicable guidelines (excluding operating support ban)
- Capital expenditures
- Construction costs
- Lobbying expenses
- Re-structuring costs
- Unallowable expenses as defined in 2 CFR 200

A 1:1 cost share/match is still required and must be reflected in your revised project budget. In other words, if your grant from the Arts Endowment was \$10,000, your new project budget must show a total project cost of at least \$20,000. Each federal dollar must be matched by non-Federal monies or third-party, in-kind contributions.

The General Operating Support Waiver may be applied retroactively to allowable general operating expenses incurred during your period of performance if they have been sufficiently documented. Grantees who have already drawn down funds on their eligible awards may request a partial waiver, allowing the balance of grant and cost share/matching funds to be used for general operating expenses. A grantee who has already incurred costs for their approved project, but not yet requested reimbursement, may request a full or a partial waiver. In any scenario, you must maintain records that accurately reflect costs charged to each award.

General Operating Support Waiver Options:



(See detailed instructions in the HOW TO REQUEST A GENERAL OPERATING SUPPORT WAIVER section below.)

Grantees with multiple federal awards: There can be no commingling of federal funds and there can be no overlapping costs with other federal awards or their cost share/match. Your budget may not include any costs that are part of another Federal award, whether from the Arts Endowment or another federal agency including the Small Business Administration’s Grants for Shuttered Venue Operators and other Federal pandemic relief opportunities, either directly or from a pass-through entity.

FREQUENTLY ASKED QUESTIONS as of 5/5/21

We plan to carry out the project as detailed in our application. Do we need to request a change to general operating support?

No. Eligible grantees who are continuing with their approved project are not required to switch to general operating support. If the project later encounters difficulties, the General Operating Support Waiver will remain an option for eligible awards until 150 days after the period of performance ends. If you have already met the required 1:1 cost share/match, we encourage you to instead close out your award, even if we have to reduce the scope of your project.

If you would like to keep project-based support, but want to close out early or make changes to your approved project, this may simply require a project scope amendment. Review the *How to Manage Your National Endowment for the Arts Award and eGMS Reach Handbook* for details on submitting an amendment request.

How do I know the fiscal year of my award?

Awards issued in Fiscal Year:

- 2019 end in -19, for example 1234567-xx-19
- 2020 end in -20, for example 1234567-xx-20
- 2021 end in -21, for example 1234567-xx-21

If your application was offered funding in Fiscal Year 2021, but you have not yet received your official award documents, you may still request the waiver. Fiscal Year 2021 offers are under the My Offers Tab in REACH.

Where do I find the grant program for my offer or award?

Go to REACH (<https://grants.arts.gov/eGMS-Reach/Login.aspx>), and log into your account. Select the offer or grant that you are interested in converting to general operating support.

I. For Offers

On the Documents Tab look for the Offer Letter - "OfferLetter.pdf" and open the file. The program is listed in the first paragraph of the letter.

Dear

We are happy to inform you that the following application to the National Endowment for the Arts is recommended for Grants for Arts Projects funding in the amount of This tentative funding recommendation is **not** the official award notice, which is contingent upon final Arts Endowment review.

II. For Awards

On the Documents Tab look for the Notice of Action – “NoticeOfAction-Award-Grantee-2.pdf” and open the file. The grant program is in the middle of the page.

OFFICIAL NOTICE OF ACTION National Endowment for the Arts		
Action Taken: Award	Date of Action: 11/22/2019	Award Date: 11/22/2019
FEDERAL AWARD INFORMATION		
Federal Award ID Number (FAIN)		
Award Recipient		
Award Recipient DUNS		
Award Period		
CFDA Number	45.024 Promotion of the Arts_Grants to Organizations and Individuals	
Does the award support Research & Development?	No	
Project Description		
Grant Program and Office	Art Works, Music	

Can I request a General Operating Support Waiver for multiple open awards?

Yes, but you must submit a *separate* change request for each award. Requests that combine more than one award will be rejected and you will need to resubmit each request individually. REACH records are specific for each award. You must open the relevant award and submit your request through its Change Requests Tab.

My award with general operating support may overlap with other open awards that have similar costs.

What can I do to avoid audit trouble?

When you have multiple open awards, you must be especially careful to maintain records that accurately reflect costs charged to each award. One way to avoid overlap is to have separate periods of performance for each award. However, you may have overlapping periods of performance as long as the federal awards support distinctly different expenditures, and you are able to adequately allocate and document charges for each separate award. See 2 CFR 200, the *General Terms and Conditions*, and the *How to Manage Your NEA Award and eGMS REACH Handbook*.

We were able to carry out some of our approved project before the General Operating Support Waiver was announced. Can I change my whole budget to general operating costs?

The answer depends on whether you have drawn down grant funds yet. If the Arts Endowment has approved a payment request for the award, then you must maintain documentation for the costs included on the payment request, but you can request a partial waiver to general operating costs for the balance of the grant amount and cost share/match. If you have not yet drawn down funds, you can either convert the award entirely to general operating costs, or you can request a partial waiver to allow the project costs already incurred.

Is there a benefit to showing a large total cost on my revised budget for a General Operating Support Waiver?

Once an award is offered, grantees benefit from the opportunity to streamline their project budget before the award is made. The same is true with the General Operating Support Waiver, whether for a new award or as an amendment to an existing grant. A streamlined budget will provide you with fewer expenses to document, and allow the Arts Endowment to expedite review since there are fewer costs to question. If you can cover the grant amount and required 1:1 cost share/match with just one or two general operating costs, there is no need to beef up your budget. But be sure to check your budget against the list of allowable costs on page 2 of this document.

Will a General Operating Support Waiver affect my prospects for a future award from the Arts Endowment?

No. A General Operating Support Waiver will not affect your eligibility for any Arts Endowment grant programs, and will not be taken into consideration by review panels for future applications.

Can I target the general operating costs to a specific program, like a concert series?

No. Please keep in mind that if you can allocate a cost to a specific project or program then it isn't a general operating cost. The General Operating Support Waiver is intended to support day-to-day expenses of your organization, and does not imply Arts Endowment support of any specific programming.

My organization is a non-arts organization that does arts programming. Can I request this waiver?

Because Congress envisioned this aid to support the arts community, grants to non-arts-specific recipients such as states, municipalities, school systems, colleges/universities, Tribes, or other nonprofits whose core mission is not arts related, may only request a General Operating Support Waiver if all the grant funds and required cost share/match will be allocated to the arts program/departments/section/office or arts-related activities of the recipient.

Example: A grant to a city for a cultural planning project may only be changed to support general operations of the city's Office of Arts & Culture and cannot be used to support the general operations of other city departments.

What if the award is for an independent component? (Indicated on the Notice of Action in the "For" line.)

Just as the example above for a city, all waiver requests for grants for independent components must be for the general operations of the independent component entity. The intent of the waiver is to aid the arts community.

Example: An Art Works grant issued to State University for the University Art Museum may be changed to support the general operations of the art museum but not for the general operations of the university.

Do we still have to submit final reports?

Yes. You will submit the *Federal Financial Report* and the *Geographic Location of Project Activity Report*, as well a *Final Descriptive Report*. Grants that convert entirely to general operating support (full waivers) will be assigned the *Final Descriptive Report – General Operating Support* (a reduced version of the *Final Descriptive Report – Standard*). Once your waiver request is approved, see the Forms & Reports Tab in REACH for the updated reports. Grants that receive a partial waiver will not see a change to their reporting requirements.

QUESTIONS?

- For FY 2019-2021 Awards and for FY 2021 Offers sent in November 2020, send general inquiries to the Office of Grants Management at grants@arts.gov. Include in the subject line “Question about the General Operating Support Waiver.” Questions specific to your award should be submitted through the Messages Tab for that award in REACH.
- For Offers sent in April 2021, contact the Program Specialist listed in your Offer Letter.

HOW TO REQUEST A GENERAL OPERATING SUPPORT WAIVER

IMPORTANT: The NEA will not automatically change your eligible award to general operating support.

Your organization must request a separate waiver request for each award through REACH (<https://grants.arts.gov/eGMS-Reach/Login.aspx>) and submit a new budget that details how the federal funds and the cost share/matching funds will be spent. Requests must be made no later than 150 days after the end of the period of performance.

There are different procedures that you must follow based on the status of your grant.

I. IF YOUR GRANT IS LISTED UNDER MY OFFERS IN REACH:

Helpful hint: Offers do not have the fiscal year at the end the award number, e.g. 1234567-33. All current offers are for Fiscal Year 2021.

(A) If you were notified of a Funding Offer in November 2020 and your award has not yet been issued, Arts Endowment staff will contact you via REACH to determine if you want to switch your approved project to general operating support. Office of Grants Management staff will turn on REACH access for you, allowing you to find the relevant offer under MY OFFERS.

- (1) Respond to the Arts Endowment's inquiry and indicate whether you intend to carry out your approved project or if you wish to submit a revised project budget to request a General Operating Support Waiver.
- (2) Prepare a new **Project Budget** for general operating costs only. See page two for allowable costs. Go to <https://www.arts.gov/grants/manage-your-award/project-budget-form> to review the instructions and download the Project Budget Form.
 - When filling out the budget form, write "**Request for General Operating Support Waiver**" in the Project Description field.
- (3) In REACH, select the correct offer and go to the Documents Tab. Upload the new Project Budget.
 - Click on the Upload Files button.
 - Add a comment "Request for General Operating Support Waiver."
 - Attach your new Project Budget Form and complete upload.

The Office of Grants Management will review your updated budget and incorporate the changes when issuing your award.

(B) If you applied to the Grants for Arts Projects July 2020 deadline or the Our Town August 2020 deadline, the earliest announcement of grant award or rejection will be in April 2021. If your application is approved for funding, you will receive instructions on how to request the General Operating Support Waiver in your funding offer.

II. IF YOUR GRANT IS LISTED UNDER MY AWARDS IN REACH

Reminder: If you have multiple eligible awards, you must submit a separate waiver request for each one. Go to REACH and repeat the process below for each relevant award under MY AWARDS.

(A) Prepare a new **Project Budget** for general operating costs only. Go to <https://www.arts.gov/grants/manage-your-award/project-budget-form> to review the instructions and download the Project Budget Form.

- (1) FULL GENERAL OPERATING SUPPORT WAIVER: If you have NOT drawn down funds and wish to convert the entire award to general operating support, your revised budget must only consist of allowable costs as detailed on page two of this document. See the [sample Full General Operating Support Waiver Budget](#) for help.
- (2) PARTIAL GENERAL OPERATING SUPPORT WAIVER: If you HAVE drawn down funds or wish to include previously incurred project costs as part of your new budget, your project budget should include a single line item reflecting the total dollar amount of those earlier costs: “Previously incurred approved project costs from budget dated xx/xx/xxxx.” (Go to the Documents tab to find the date of the existing budget.) The remaining balance of the budget must only consist of allowable general operating costs as detailed on page two of this document. See the [sample Partial Operating Support Waiver Budget](#) for help.
 - If you need to extend the period of performance for your award, indicate the new dates at the top of the project budget form.
 - When filling out the budget form, write “**Request for General Operating Support Waiver**” in the Project Description field.
 - If staff have changed at your organization since your grant was awarded, update the participants on the form.

(B) In REACH, select the correct grant and then click on the Change Requests Tab.

- (1) You will see the change type “**D. Eligible Grantees: Request a Gen Op Sup Waiver.**” Read the instructions and follow the steps.
- (2) Upload the new Project Budget to REACH.

The Office of Grants Management will review the requests and process them in the order they are received. **No other office at the Arts Endowment has the authority to approve a General Operating Support Waiver.** We are expecting a high volume of requests, so we appreciate your patience.

Once the change to your award is approved, a notice will be sent to the personnel listed as Participants in the header of the relevant award. In REACH, you will see that your award record has been updated to reflect that the Arts Endowment is supporting general operating costs, and the Change Requests Tab will indicate that the request was “Approved.”