

Partnership Agreement Budget Instructions

Please review the *General Terms and Conditions for Partnership Agreements*, which incorporates 2 CFR 200. **While our *General Terms* provides a summary of requirements, it is your responsibility to review the source documents directly.**

PROJECT BUDGET FORM.

You must use the **Project Budget Form** available on the NEA website at <https://www.arts.gov/grants/manage-your-award>.

You are encouraged to keep your project budget as simple as possible with allowable, allocable, and reasonable costs that are easy to document. **You must maintain source documentation of all costs charged to your NEA award whether paid for with NEA funds or the required cost share.**

All activities supported under this award must be related to your State or Regional Arts Plan that was approved with your application for the award. Remember, funds from previous NEA Partnership awards **cannot** be "rolled over" for future use.

BUDGET INFORMATION.

For the purpose of this budget, show only the required 1:1 cost share. Many SAAs and RAOs can and do exceed the required cost share with their estimated costs, but to streamline review of your application, limit the cost share to only the required 1:1 for this budget. For example, for a \$500,000 award, you need to show a total project cost of \$1,000,000.

It is important to remember that all costs—whether paid for with NEA funds or the required cost share—included in this budget (and on subsequent payment requests and financial reports for this award) must be allowable per the *General Terms and Conditions for Partnership Agreements* applicable to your award, the Partnership Guidelines, and 2 CFR 200.

- This budget **cannot** include overlapping project costs with any other federal award, including previous years' Partnership Agreement grants or other NEA grants or cooperative agreements.
- All costs included in this budget must be incurred within the allowable period of performance. For awards issued in FY 2025 and later, you may include administrative closeout costs.
- The budget form automatically rounds off to whole dollars.
- Describe similar costs on a single line if necessary due to space constraints.

INSTRUCTIONS FOR PROJECT BUDGET FORM

ORGANIZATION.

Enter your SAA's or RAO's legal name. There is no need to enter an address. The NEA must use the physical address on file with your SAM.gov entity registration.

APPLICATION / AWARD #.

Enter your offered application number (for offers) or award number (for budget amendments to awards).

DATE.

Enter the date your Authorizing Official approved this budget.

PERIOD OF PERFORMANCE REQUESTED.

For offers, enter the start and end date of your requested period of performance. For awards, enter the current period of performance or update the dates if you are also requesting a time amendment.

The period of performance must reflect the time necessary to plan, execute, and close out your approved activities. In addition, the period of performance must include sufficient time to award and close out all subawards made with NEA funds and/or the required cost share under this Partnership Agreement grant.

- All costs in this budget must be incurred within the period of performance, with the exception of allowable administrative closeout costs for NEA awards issued in FY 2025 and later. (See GTCs for more information.)
- The earliest allowable start date is **July 1** of the fiscal year of your award.
- Periods of performance must start on the first of the month and end on the last day of the month.

You may request a period of performance that differs from the one included on your Grants.gov application form (SF-424) if it better aligns with your agency's work and meets the above criteria.

PROJECT DESCRIPTION.

For offers, enter the date you will **begin making subawards** with NEA funds or cost share funds for this award (if applicable). This will help the NEA to expedite processing of applications for DATA Act compliance and for you to report required subgrants into the Federal Funding Accountability and Transparency Act (FFATA) Subaward Reporting System (FSRS). See the FFATA FAQs at <https://www.arts.gov/grants/manage-your-award/awards-after-oct1-2017-to-saa-rao> for detailed information on FFATA.

Next, include a brief description of the activities associated with the costs included in this budget.

PARTICIPANTS.

This section gives you the opportunity to add or change the "participants" on the offer or award. Consider who will need to have access to the [REACH](#) system to manage the application and award, and submit payments, reports, or updates. You must ensure this information is accurate and it must be done separately

for each annual Partnership Agreement grant as “participation” in a previous award does not carry over to subsequent awards.

Provide the following information:

- **Authorizing Official.**

Enter the full name and contact information for the person who has the legal authority to obligate your organization and approve this budget on behalf of your organization.

- **Project Director.**

Enter the full name and contact information for the person in charge of administering your Partnership Agreement.

- **Primary Contact.**

Enter the full name and contact information for the person who can answer specific questions about this budget.

We strongly advise having different individuals in these various participant roles, so that your organization has multiple staff members able to access REACH and manage this award.

PROJECT COSTS

The PROJECT COSTS section of the project budget form must show how the combined NEA funds and your cost share funds will be allocated.

A. DIRECT COSTS

DIRECT COSTS are those that are directly allocable to the approved Partnership Agreement activities that will be paid for with NEA funds or the cost share funds for this award and that will be incurred during the period of performance. (FY 2025 and later: you may also include administrative closeout costs here.) All costs included in this budget must also be allowable per 2 CFR 200 Subpart E, the Partnership Guidelines, and the *General Terms and Conditions for Partnership Agreements* applicable to your award.

Direct Costs: Salaries and Wages

List compensation for personnel, both administrative and artistic (if applicable), who are paid on a salary basis. These people usually receive a W-2. Do not include fees for contractual personnel/consultants or compensation for artists who are paid on a fee basis (these people usually receive a 1099 form) in this section; list them under **Direct Costs: Other Costs**.

Indicate the title and/or type of personnel, the number of personnel, the annual or average salary range, and the percentage of time allocated to your Partnership Agreement grant annually. Salaries/wages/fringe should be pro-rated to reflect only those costs incurred within the period of performance.

<i>Title and/or type of personnel</i>	<i>Number of Personnel</i>	<i>Annual or average salary range</i>	<i>% of time devoted to this project</i>	<i>Amount</i>
Executive Director	1	\$120,000	10%	\$12,000
Program Directors	2	\$70,000	50%	\$70,000
Education/Outreach	5	\$25,000 - \$50,000	20-30%	\$75,000

Labor Standards. Salaries and wages for performers and related or supporting personnel must be estimated at rates no less than the prevailing minimum compensation as required by Department of Labor regulations. For details, see the "[Legal Requirements](#)" and <https://www.ecfr.gov/current/title-29/part-505>.

RAOs only: Per 2 CFR 200.442(a), only costs for fundraising activities necessary to meet the federal award objectives are allowable. You may include pro-rated salaries for personnel who undertake fundraising activity if their work is directly allocable to approved Partnership Agreement activity. This could include time spent managing this award or raising the required minimum cost share.

Fringe benefits (%). You may include costs other than wages or salary attributable to an employee in the form of pension contributions, insurance, vacation, and sick leave, etc. You may only include fringe benefits here if they are not included as indirect costs.

Direct Costs: Travel

All travel costs must be estimated according to your organization's established written travel policies and must relate to the approved activity outlined in your approved strategic plan/application.

Airfare costs charged to the award may not exceed the cost of the least expensive class (e.g., coach) available. Include subsistence costs (e.g., hotels, meals) as part of the amount listed for each trip, as appropriate.

Foreign/international travel. If you are including foreign/international travel in this budget, you must specify the country of origin and destination and conform to government regulations, including those of the U.S. Treasury Department Office of Foreign Asset Control and the Fly America Act. See the *General Terms and Conditions for Partnership Agreements* applicable to your award for additional information.

Indicate travel costs according to the example below. Unless travel is to foreign countries, you do not need to specify destinations; simply indicate whether travel is within your state or out of state. List all trips – both foreign and domestic – individually.

# of Travelers	From	To	Amount
10	In State (various)	In State (various)	\$6,000
4	Out of State (Domestic)	State Capital	\$4,000
1	France	State Capital	\$2,000

Direct Costs: Other Costs

List subawards, consultant and artist fees, contractual services, promotion/advertising/marketing, acquisition fees, rights, evaluation and assessment fees, access accommodations (e.g., audio description, sign-language interpretation, translation, closed or open captioning, large-print brochures/labeling), internet access, telephone, copying, postage, supplies and materials, publication, distribution, transportation of items other than personnel, rental of space or equipment, and other Partnership Agreement grant-specific costs.

List artist compensation here if artists are paid on a fee basis.

Subgranting. Any subawards included in this budget must be made in accordance with the requirements of 2 CFR 200.332 and the *General Terms and Conditions* applicable to your award. This includes specific requirements regarding applicant eligibility, required review criteria, award notice requirements, subrecipient monitoring and closeout, and other national policy requirements. Review 2 CFR 200 and the *General Terms and Conditions for Partnership Agreements* applicable to your award for more details.

You must include the following information for any **Subgranting Program** that will be funded with NEA funds and/or the required cost share:

1. Name of the subgranting program(s), AND
2. Type of recipient (organization/individuals/both), AND
3. The funding source: NEA funds, the required cost share, or a combination of both types of funding.

For SAAs only: if your budget includes subawards for **General Operating Support (GOS)**, you must include the following:

1. How the GOS subawards are connected to your NEA approved strategic plan applicable to this award.
2. The programmatic goals for the GOS subawards.
3. A list of allowable and unallowable costs for the GOS subawards.

Include the subgranting program details in the line-item section of your project costs. If the length of your description is longer than will fit here, add an attachment, or use the “Project Description” field.

The subgranting programs included in your approved budget are the only ones approved for the use of NEA funds and the required cost share. You must request an amendment if you want to add additional subgranting programs to your award.

Equipment. Clearly identify whether equipment is being purchased or rented. If you intend to **purchase** any equipment with a unit cost over the 2 CFR 200 threshold (or your State’s or organization’s capitalization level) per item and that has an estimated useful life of more than one year, you must specifically identify the item(s) here and provide a justification for the expenditure on this form or in an attachment.

- For FY 2024 and earlier awards: The threshold is \$5,000
- For FY 2025 and later awards: The threshold is \$10,000

Equipment with a unit cost less than the 2 CFR 200 threshold is considered a supply, regardless of the length of useful life. These items do not require a separate justification.

Provide detailed information for any large line items. Example:

Creativity Grants, subgrants to nonprofit organizations (NEA funds and State Cost Share)	\$200,000
Contractual Services (web design, marketing)	\$35,000
Administration (% of rent, supplies, communications)	\$50,000
Equipment (purchase of high-def audio/visual system for state-wide webcasts) – separate components of no more than \$3,500 per unit that total =	\$7,500
Access Accommodations	\$10,000

Do NOT include unallowable costs in your NEA project budget. All costs in the budget—whether funded with NEA funds or your required cost share—must be allowable. See [2 CFR 200 Subpart E](#), the Partnership Guidelines, and the *General Terms and Conditions for Partnership Agreements* applicable to your award for more information.

The following costs are unallowable and may not be supported with federal or cost share funds for your Partnership Agreement grant. This list is not exhaustive.

1. Alcoholic beverages or events where alcohol is served (social activities).
2. Audit costs that are not directly allocable to a federally required Single Audit.
3. Cash reserves or endowments.
4. Concessions/for-profit activity including food, beverages, T-shirts, posters, art, and other items for resale (retail activities). This includes costs for retail workers.
5. Contingencies, miscellaneous, or "other" unidentified costs.
6. Contributions or donations to other entities.
7. Costs incurred before or after the approved period of performance. ***This includes subgranting activity.***
8. Fines and penalties, bad debt costs, or deficit reduction.
9. General fundraising for your organization.
10. Gifts and prizes. This includes cash prizes, gift certificates/gift cards, or any other cash equivalents with monetary value.
11. Hospitality costs and costs related to social functions such as receptions, parties, and galas, as well as food/meals that conclude a program or event.
12. Land purchase costs, construction, or renovation of building structures.
13. Lobbying.
14. Marketing expenses not related to the project.
15. Rental costs for home office workspace owned by individuals or entities affiliated with your organization.
16. Subawards for unrestricted general operating support; subaward programs must be for documented allowable expenses in compliance with federal cost principles, the Partnership Guidelines, and the *General Terms and Conditions* for your award.
17. Vehicle purchase costs.
18. Visa costs paid to the U.S. government.

Procurement / Acquisition.

For SAAs

For units of state government, follow the same procurement policies and procedures you use for non-federal Funds ([2 CFR 200.317](#)).

For RAOs and Non-profits

For non-profits, all acquisitions must be carried out in accordance with your organization's written established procurement policies, which must be consistent with [2 CFR 200.318 - .327](#).

TOTAL DIRECT COSTS = SALARIES/WAGES/FRINGE + TRAVEL + OTHER

B. INDIRECT COSTS

Indirect costs are overhead or administrative expenses not readily identifiable with fulfilling the Partnership Agreement grant. The costs of operating and maintaining facilities and equipment, depreciation or use allowances, and administrative salaries and supplies are typical examples of indirect costs. If using your federally negotiated indirect cost rate, you must submit a copy of the negotiated indirect cost agreement.

You are not required to have a federal indirect cost rate agreement or include indirect costs in your project budget. You may claim a pro-rated portion of overhead/administrative costs as direct costs under Direct Costs: Other Costs. However, you cannot claim overhead as both a direct and an indirect cost.

If your organization does NOT have a current federally negotiated indirect cost rate, you may elect to charge a **de minimis rate** on modified total direct costs (MTDC) which may be used indefinitely. For more information, see [2 CFR Part 200.414\(f\)](#). See the General Terms and Conditions for the definition of MTDC for the fiscal year of your award. Simply check the box next to “de minimis.”

- For FY 2024 and earlier awards: The de minimis rate is 10%.
- For FY 2025 and later awards: The de minimis rate is 15%.

For SAAs

You may include costs required under a statewide cost allocation plan (SWCAP) as indirect costs. However, you must provide a copy of the allocation plan and details on how the SWCAP amount was calculated along with this budget.

TOTAL PROJECT COSTS = TOTAL DIRECT COSTS + INDIRECT COSTS (if applicable).

Remember, the TOTAL PROJECT COSTS should equal your TOTAL PROJECT INCOME.

PROJECT INCOME

Cost Share Requirement. The total cost share for the Partnership Agreement grant, in general, must be equal to the NEA’s offered funding amount.

If your offer includes any funds that do not require a cost share, you should only show a project income amount equal to your required cost share.

In general, your cost share may be all cash or a combination of cash and in-kind contributions as detailed below. Do not include any other NEA or other federal funds in your cost share.

ORGANIZATION SHARE: CASH

List cash donations (including items or services provided by the applicant organization), appropriated funds, grants, and/or other revenues expected or received for the Partnership Agreement.

FOR SAAs

You must only show state appropriated funds as your cost share for the NEA funds. The NEA’s legislative requirements for cost share states that *“The non-federal funds required...to pay 50 percent of the cost of a*

program or production shall be provided from funds directly controlled and appropriated by the State involved and directly managed by the State agency of such State.”.

FOR RAOs

Cost share must be allowable per the *General Terms and Conditions for Partnership Agreements* applicable to your award.

1. You may use subrecipient cost share to meet the required federal cost share for this award only as a 1:1 match for the federal dollars included as subawards in this budget. This must be shown as cash cost share, not as an in-kind contribution.
2. You must meet the remainder of the required cost share for this award (if applicable) with other non-federal funds. **Subrecipient cost share cannot be used as cost share for any other costs in this budget.**
3. You must notify subrecipients at the time of award that the subrecipient’s cost share will be used as cost share for this federal award.
4. You must notify subrecipients that they must permit you and your financial auditors access to their records and financial statements as necessary to ensure compliance with the federal award requirements.
5. All subrecipient costs used as cost share for this federal award must be identified in the subaward’s final financial reports and must be allowable, reasonable, and allocable in compliance with 2 CFR 200 and the *General Terms and Conditions* for the federal award.

FOR NASAA

All cost share must be allowable per the *General Terms and Conditions for Grants and Cooperative Agreements to Organizations*.

THIRD-PARTY IN-KIND CONTRIBUTIONS

List goods or services donated by third-party individuals/entities outside your organization. The costs associated with in-kind contributions must also be included as direct costs in your budget to determine allowability.

Any in-kind cost share included in this approved budget must adhere to 2 CFR 200 requirements for the use and documentation of third-party in-kind contributions.

FOR SAAs

In-kind cost share cannot be used to meet the minimum cost share requirement for your award. Leave this section blank.

FOR RAOs/NASAA

In-kind donations may include donated space, supplies, and/or volunteer services – i.e., goods and services that are donated by individuals or organizations other than the applicant. To qualify as cost share resources, these same items also must be listed under direct costs. The dollar value of these non-cash donations should be calculated at their verifiable fair-market value. Identify sources. Proper documentation must be maintained for all items noted as "in-kind." For more information, see the Genral Terms and Conditions applicable to your award.

TOTAL RECIPIENT SHARE FOR THIS PROJECT (Total Project Income). TOTAL CASH + TOTAL IN-KIND.

NEA AMOUNT = Enter the total amount of funding offered per the accompanying notification.

TOTAL PROJECT INCOME. TOTAL RECIPIENT SHARE + NEA AMOUNT.

PAPERWORK REDUCTION ACT STATEMENT

The public reporting burden for this collection of information is estimated at an average of one hour per response. This includes the time for reviewing instructions, searching existing data sources, gathering, and maintaining the data needed, and completing and reviewing the collection of information. We welcome any suggestions that you might have on improving the guidelines and making them as easy to use as possible. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to: webmgr@arts.gov, Attention: Reporting Burden. Note: Applicants/awardees are not required to respond to the collection of information unless it displays a currently valid U.S. Office of Management and Budget (OMB) control number.