



# Project Budget Instructions

For Both Offerees and Awardees

## GENERAL INFORMATION

Your award requires a 1:1 cost share/match.\* Total project costs are required to be at least twice the offered (or awarded) amount and no more than 10 times it.

Examples:

- (1) If the offered amount is \$10,000 - total project costs must be at least \$20,000 but no more than \$100,000.
- (2) If the offered amount is \$25,000 - total project costs must be at least \$50,000 but no more than \$250,000.

Take this opportunity to adjust expenses based on the amount offered or the award total. Right-sizing your project budget in response to the offered (or award) amount will lessen the administrative burden to your organization in managing a federal award. Per 2 CFR 200, costs in excess of the mandatory cost share are required to meet the same administrative requirements governing federal awards and become a “binding requirement.” [2 CFR 200.1 - Project Cost and Voluntary Committed Cost Share, .302 Financial Management and .306 Cost Sharing]

**We encourage you to keep your project budgets as simple as possible with easy to document allowable, allocable, and reasonable costs. You must maintain documentation of all costs charged to your NEA award.**

### ORGANIZATION.

Enter your organization’s official IRS name and SAM.gov physical address. Note: Your SAM.gov entity name and your taxpayer IRS name should be the same.

### APPLICATION # /AWARD #.

Enter either your offer application number or your award number.

### DATE.

Enter today’s date or the date your authorizing official approved this budget. If you are submitting a revision, remember to update this field to the current date.

### PERIOD OF PERFORMANCE REQUESTED.

Enter the start and end date of your requested project period. The start date can be no earlier than the funding opportunity’s earliest allowable start date. **All costs in the budget must be incurred within the period of performance.**

**The period of performance should reflect the time necessary to plan, execute, and close out your project.**

### PROJECT DESCRIPTION.

1. **Applicants / Offerees:** Describe any change(s) to the project as described in your application, including significant changes in project activity. If your NEA Offer letter indicated support only for particular

\*Most awards require a cost share of 1 to 1, but some may be partial or require no cost share. If unsure, contact us.

costs or a portion of your original project proposal, you should describe the resulting changes here. If there are no changes to the project scope, please write “No changes.”

2. If you are a **State Arts Agency, Regional Arts Organization, or Local Arts Agency**, please include the following information for any subgranting program:
  - Name of the subgranting program(s),
  - Type of recipient (organization/individuals/both),
  - Indicate if funded with NEA funds, the required cost share/match, or a mix of both
3. **Current Awardees requesting a change to an approved grant project:** Review the **How to Manage Your NEA Award Handbook** for more information. If there are no changes to the project scope, state that here. Include additional pages as needed.

#### **RECIPIENT CONTACT INFORMATION.**

These individuals will have access to the NEA’s REACH system for specific offered applications (Offers) and awards. Please provide the following information:

- **AUTHORIZING OFFICIAL.** Enter the full name and contact information for the person who has the legal authority to approve this budget on behalf of your organization.
- **PROJECT DIRECTOR.** Enter the full name and contact information for the person who can answer specific questions about this project.
- **PRIMARY CONTACT.** Enter the full name and contact information for the person who can answer specific questions about this budget.

## **PROJECT COSTS**

### **A. DIRECT COSTS**

**DIRECT COSTS** are those that are directly allocable to the approved project and that will be incurred during the period of performance. They must also be allowable.

#### **► SALARIES AND WAGES.**

List compensation for administrative and artistic project personnel who are paid on a salary basis. These people usually receive a W-2. Do not include fees for contractual personnel/consultants and compensation for artists who are paid on a fee basis (these people usually receive a 1099) 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 the NEA-funded project on an annual basis. Salaries/wages/fringe should be pro-rated to reflect only those costs incurred within the period of performance. See an example on next page.

**Example:**

Title/Type of personnel	# of personnel	Annual salary/range	% of time allocated	Amount
Executive Director	1	\$70,000 per yr.	25%	\$17,500
Project Directors	2	\$40-50,000 per yr.	5-40%	\$22,000
Admin. Support Staff	2	\$20-25,000 per yr.	20-30%	\$11,000

**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 the Department of Labor Regulations.

See <https://www.ecfr.gov/cgi-bin/text-idx?SID=3f31ae73d7c3a076e59796519a2357d8&mc=true&node=pt29.3.505&rgn=div5> for details.

**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 written, established travel policy and must directly relate to the approved activity outlined in your project narrative or as updated in the Project Description field on the form.

Airfare charged to the award may not exceed the value of the least expensive class (e.g. coach) available. Include subsistence costs (e.g. hotels, meals) as part of the total cost 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. Foreign travel must be in compliance with government regulations, including those of the [U.S. Treasury Department's Office of Foreign Assets Control](#) and the Fly America Act.

List all trips - both foreign and domestic - individually.

**Example:**

Travelers	Origin	Destination	Amount
Exhibit Curator	Washington, DC	Lima, Peru	\$4,000
Composer	Mobile, AL	Boise, ID	\$1,000
Musicians (25)—mileage	Fayetteville, NC	Local area (w/in 75 miles)	\$5,000
Fellows (3)	TBD US locations	Albuquerque, NM	\$7,500

► **DIRECT COSTS: OTHER COSTS.**

List artist or consultant/contractor fees or stipends, marketing/promotion, supplies and materials, publications, distribution, shipping/cartage, rental of venues/equipment, acquisition fees, rights, evaluation and assessment fees, access accommodations (e.g. audio description, sign-language interpretation, closed or open captioning, large-print brochures/labeling), communications, translation, and other project-specific costs.

Clearly identify the rental or purchase of equipment.

- For equipment purchases, you must provide specific written justification for items with a unit value of \$5,000 or more and a useful life of more than one year. For FY25 and later the amount is \$10,000 or more.
- Computing devices with a unit cost of \$5,000 or less are considered supplies, regardless of the length of useful life. For FY25 and later the amount is \$10,000 or less.

Provide detailed information for any large line items.

“Other,” “Miscellaneous,” or “Contingency” costs will be removed from your budget as they are too vague to determine allowability.

Procurement / Acquisition:

- For units of state government, follow the same procurement policies and procedures you use for non-federal Funds ([2 CFR 200.317](#)).
- For nonprofits, all acquisitions must be carried out in accordance with your organization's written established procurement policy which must be consistent with [2 CFR 200.318 - .327](#).

**Example:**

Artists (5 @ \$300-500 per week/30 weeks)	\$60,000
Design Consultants (2 @ \$300 per day / 1 day per mo. / 10 mos.)	\$6,000
Access accommodations (sign-language interpretation and audio description)	\$1,200
Costumes, props	\$6,500
Project supplies	\$4,000
Administration (portion of rent -- \$4,500, telephone -- \$300, copying -- \$200)	\$5,000

### **IMPORTANT: UNALLOWABLE COSTS**

Do not include unallowable costs in your budget. What is an unallowable cost? A list of some common unallowable costs is provided below. For more information see [Subpart E – Cost Principles in 2 CFR 200](#), the NEA Guidelines applicable to your award, as well as the General Terms and Conditions, and Terms and Conditions governing your award. **It is your responsibility to be familiar with these requirements.** Neither the NEA award nor your cost share/match can fund unallowable costs. In other words, if it is an unallowable cost do not include it on the Project Budget form.

**Do NOT include the following unallowable costs in your NEA project budget. All costs in the budget—whether funded with NEA funds or your cost share/matching funds—must be allowable.**

- (1) Alcoholic beverages.
- (2) Gifts and prizes. This includes cash prizes, gift certificates/cards, or any other items with monetary value.
- (3) General contingencies or miscellaneous costs.
- (4) General fundraising for your organization.
- (5) Marketing expenses not directly related to the project.

- (6) 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.
- (7) Land purchase costs, construction, or renovation of building structures.
- (8) Vehicle purchase costs.
- (9) Audit costs not directly related to a federally required Single Audit.
- (10) Rental costs for home office workspace owned by individuals or entities affiliated with your organization.
- (11) Cash reserves or endowments.
- (12) Concessions including food, beverages, T-shirts, posters, and other items for resale. This includes costs for workers selling such items.
- (13) Contributions or donations to other entities.
- (14) Fines and penalties, bad debt costs, or deficit reduction.
- (15) Visa costs paid to the U.S. government.
- (16) Costs incurred before or after the approved Period of Performance.
- (17) Lobbying.

➔ **TOTAL DIRECT COSTS = SALARIES/WAGES/FRINGE + TRAVEL + OTHER.**

## **B. INDIRECT COSTS.**

If you do not have a federally negotiated indirect cost rate or do not plan to charge a de minimis rate, leave this section blank.

What are indirect costs? Overhead or administrative expenses not readily identifiable with a specific project are considered indirect costs. The costs of operating and maintaining facilities and equipment, depreciation or use allowances, some administrative salaries and supplies are typical examples of indirect costs. Indirect costs are charged to a project through a rate negotiated with the National Endowment for the Arts or another federal agency.

You are not required to have an indirect cost rate 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. Choose one method or the other.

### ► **De Minimis Rate**

- If your organization has never received a 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. The de minimis rate is 10% for FY 2024 and earlier awards, and 15% for FY 2025 and later awards. For more information, see the General Terms and Conditions for your award and [2 CFR Part 200.414\(f\)](#). Simply check the box next to “de minimis.”
- A non-federal entity that had a past indirect cost rate agreement that is now expired may elect to charge the de minimis indirect cost rate (see [2 CFR Part 200.414\(f\)](#) and [85 FR 49506](#)). The de minimis rate may be used indefinitely.

### ► **Indirect Cost Rate Agreement with a Federal Agency**

If you have a federally negotiated rate and would like to include indirect costs, complete the information requested in this section. Use the data from your organization's current indirect cost rate agreement.

- Identify your cognizant agency. You may use acronyms such as HHS, ED, and ONR.
- Select the type of rate (final, predetermined, provisional, or fixed carry-forward) from the dropdown menu. Important: You may only use a Research rate for NEA Research Grants or NEA Research Lab awards.
- Enter the approved rate.
- Enter the rate's effective period (MM/DD/YY to MM/DD/YY). This is not the period of performance of the project.
- Enter the base.
- Enter the amount of indirect costs you are claiming in the "Total Indirect Costs" field.

**You must provide us with a copy of your most recent federally negotiated indirect cost rate agreement:**

- **Applicants / Offerees:** Upload a copy to the Documents Tab for your offer via REACH.
- **Current Awardees requesting an amendment/change to your award:** Attach a copy to your Change Request submitted in REACH.

## **➔ TOTAL INDIRECT COSTS**

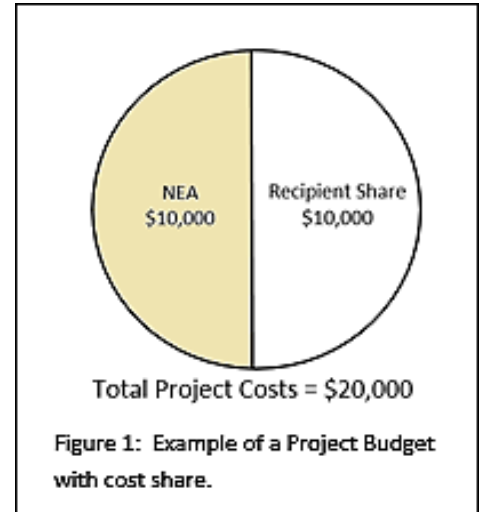
**➔ TOTAL PROJECT COSTS = TOTAL DIRECT COSTS + INDIRECT COSTS (if applicable).**  
**This amount should equal your TOTAL PROJECT INCOME.**

# PROJECT INCOME

**COST SHARE REQUIREMENT.** Unless you are notified otherwise, NEA grants require a non-federal cost share (aka “match” or “recipient share”) of at least one to one (1:1). This required cost share refers to the portion of project costs not paid for with NEA funds. In other words, your organization’s share of the total project costs must be equal to or greater than the amount of NEA funding.

For example, if you receive a \$10,000 NEA grant, you must provide at least \$10,000 toward the project from non-federal sources, for total project costs of at least \$20,000.

Your cost share or match may be all cash or a combination of cash and in-kind contributions as detailed below.



## ORGANIZATION SHARE: CASH

List your organization’s contributions, cash donations, non-federal grants, and revenues such as ticket income or tuition fees.

Do not include any other National Endowment for the Arts funding or grants from other federal agencies, including, but not limited to, the National Endowment for the Humanities, the Department of Education, the Department of Housing & Urban Development, the National Science Foundation, the National Park Service, and the Corporation for Public Broadcasting, etc. Federal funds subgranted from a state arts agency, regional arts organization, or local arts agency cannot be used as part of your recipient cost share.

**Unrecovered Indirect Costs:** Your organization must have a current federally negotiated Indirect Cost Rate Agreement to include unrecovered indirect costs as part of your cost share.

## THIRD-PARTY IN-KIND

If applicable, list goods and services donated by individuals and entities outside of your organization. These are referred to as third-party contributions.

To qualify as allowable in-kind income, these same items also must be clearly identified in the project budget as direct costs to ensure that the costs are allowable and allocable to your project. In-kind items not reflected as direct costs will be removed from your budget.

You must identify all in-kind items by the good or service being provided as well as the source, and the amount must reflect the verifiable fair-market value of the goods or services being contributed.

Proper documentation must be maintained for all items noted as in-kind. Go to <https://www.arts.gov/grants/manage-your-award> to find a sample In-Kind Contribution Report Form.

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

➔ **NEA AMOUNT:** Amount of NEA offered/awarded funding for this project.

➔ **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](mailto: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.