



PROJECT BUDGET INSTRUCTIONS

Applications, Offers, and Awards

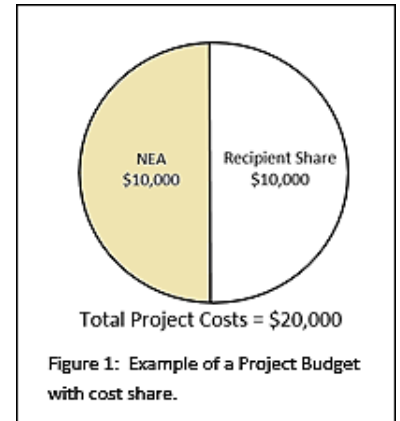
Rev. 8/11/25

The **Project Budget Form** is available for offers in **REACH** (<https://reach.arts.gov/Login>) by clicking on the Instruction tab for the applicable offer, and for awards at <https://www.arts.gov/grants/manage-your-award>.

Per the NEA's legislation, awards require a 1:1 cost share. In other words, the total project costs must be at least twice the offered or awarded NEA funding amount and no more than 10 times it.

For example,

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



There are exceptions; certain awards have a partial cost share or require no cost share. The official Notice of Action and the *Terms and Conditions* for an award will specify the required cost share. If you are unsure, contact:

- For offers, the Program team listed on the offer letter.
- For awards, use the Message tab in **REACH**. Having problems accessing **REACH**? Contact the Office of Grants Management at grants@arts.gov.

At the tentative funding offer stage, take the opportunity to adjust expenses based on the offered funding amount. Right-sizing your project budget in response to the funding offer will lessen the administrative burden on your organization in managing a federal award. Per 2 CFR 200.1, any additional cost sharing in excess of the mandatory 1:1 requirement becomes a "binding requirement" and must adhere to the same administrative requirements governing the NEA funds and the mandatory cost share.

We encourage you to keep your project budget as simple as possible with easy to document costs that are allowable, allocable, reasonable, and that will be incurred during the period of performance. You must maintain documentation of all costs charged to your NEA award.

INSTRUCTIONS

ORGANIZATION

Enter your organization's official IRS name.

Do not enter an address. The NEA must use the physical address on file in your SAM.gov entity registration.

APPLICATION /AWARD

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

DATE

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

PERIOD OF PERFORMANCE REQUESTED

For the period of performance:

- The period of performance should reflect the time necessary to plan, execute, and close out your project.
- The start date can be no earlier than the funding opportunity's (i.e., guidelines or program solicitations) earliest allowable start date.
- The Period of performance must start on the first day of the month and end on the last day of the month.
- All costs in the budget must be incurred within the period of performance' start and end dates.

1) Applicants / Offerees:

Enter the start and end date of your project's requested period of performance.

2) Current Award Recipients:

Enter the current period of performance or update the dates if you are also requesting a period of performance amendment.

PROJECT DESCRIPTION

1) Applicants / Offerees:

- (a) If there are no changes to the approved project scope, please write "No changes."
- (b) If you need to make changes to the approved project as originally described in your application, including significant changes in project activity, changes to performance venues, confirmed artists, etc., you must describe the changes here.
- (c) If your tentative funding offer letter indicated limited NEA support for particular costs or a portion of your original project proposal (sometimes referred to as "targeted" funding), indicate that you understand that funding is limited to certain project components and describe the resulting changes here.
- (d) If you are a Local Arts Agency designated to subaward NEA funds, or a State Arts Agency or Regional Arts Organization, include the following information for subaward program(s) included in this budget:
 - Name of the subaward program(s),
 - Type of recipient (organization, individuals, or both),
 - Indicate if the subawards will be funded with NEA funds, your required cost share, or a mix of both.

2) Current Award Recipients requesting a change to an approved award project:

Review the *How to Manage Your NEA Award Handbook* for more information on budget and scope changes.

- (a) If there are no changes to the project's approved scope, please write "No scope changes" but indicate budget changes.
- (b) If you need to make changes to the project as originally described in your application and approved for funding, including significant changes in project activity, changes to performance venues, confirmed artists, etc., describe the changes here. Include additional pages as needed.

RECIPIENT CONTACT INFORMATION.

The following individuals will have access to the NEA's **REACH** system for this specific offer/award.

Please provide the following information:

1. **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.

2. **PROJECT DIRECTOR.**

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

3. **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

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 (2 CFR 200.413). They must also be allowable per 2 CFR, the NEA's legislation, relevant guidelines, or program solicitations, etc.

DIRECT COSTS: SALARIES AND WAGES

List compensation for administrative and artistic project personnel paid on a salary basis.

- These people usually receive a W-2.

Do not include fees for contractual personnel/consultants and compensation for artists paid on a fee/stipend basis. List them under **Direct Costs: Other COSTS**.

- These people usually receive a 1099.

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.

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/current/title-29/subtitle-B/chapter-V/subchapter-A/part-505> 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 (2 CFR 200.475).

Foreign/International Travel.

If you include 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

Allocable and allowable direct costs that are project-related may include costs such as:

1. Artist or consultant/contractor fees or stipends,
2. Promotion/advertising/marketing,
3. Supplies and materials,
4. Acquisition fees and/or rights,
5. Publications, distribution, shipping/cartage,
6. Rental of venues/space or equipment,
7. Evaluation and assessment fees,
8. Access accommodations (e.g., audio description, sign-language interpretation, closed or open captioning, large-print brochures/labeling),
9. Communications, including internet access, Wi-Fi, telephone, postage, etc.
10. Translation,

11. Copying,
12. Other allowable and allocable project-specific costs.

For large line items, provide detailed information explaining what is included in the amount. Do not include unallowable costs in this budget. See **Appendix A: Unallowable Costs** for a list of common costs that are not allowed and cannot be covered either by the NEA funds or by required cost share. For additional guidance on allowable and unallowable costs, see 2 CFR Part 200 Subpart E - Cost Principles and the relevant guidelines or program solicitation.

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

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 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 the form or in an attachment.

- For FY25 and later awards - the threshold is \$10,000.
- For FY24 and earlier awards - the threshold is \$5,000.

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.

Computing Devices.

- For FY25 and later, computing devices with a unit cost of \$10,000 or less are considered supplies, regardless of the length of useful life.
- For FY24 and earlier, \$5,000, or less.

Procurement / Acquisition.

- For units of state government, follow the same procurement policies and procedures used 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 - 200.327.

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
ADA/Section 504 accommodations (sign-language interpretation & audio description)	\$1,200
Costumes, props	\$6,500
Project supplies	\$4,000
Administration (portion of rent -- \$4,500, telephone -- \$300, copying -- \$200)	\$5,000

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

B. INDIRECT COSTS

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.

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.

De Minimis Rate

To claim the de minimis indirect cost rate, check the box next to “de minimis.”

- 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). The de minimis rate may be used indefinitely.
- The de minimis rate is:
 - 15% for FY 2025 and later awards, and
 - 10% for FY 2024 and earlier awards.
- 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 200.414(f) and 85 FR 49506). The de minimis rate may be used indefinitely.

For more information on the de minimis indirect cost rate, see the *General Terms and Conditions* for your award and 2 CFR 200.414(f).

Negotiated Indirect Cost Rate Agreement (NICRA) with a Federal Agency

If you have a current 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. See **Appendix B** for guidance on reading a federal negotiated 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: A Research rate can only be used for NEA Research or NEA Research Lab offers and 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 offer or award.
- Enter the base.
- Enter the dollar 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 DIRECT COSTS + TOTAL INDIRECT COSTS = TOTAL PROJECT COSTS
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Total project cost should equal the total project income (see below).

PROJECT INCOME

COST SHARE REQUIREMENT.

Unless you are notified otherwise, NEA awards require a non-federal cost share (aka “recipient share” or match) 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 (or other federal funds). Your organization’s share of the total project costs must be equal to or greater than the amount of NEA funding.

Your cost share 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. For more on program income, see the *General Terms and Conditions*.

Do not include any other NEA funding or grants from other federal agencies, including, but not limited to:

- National Endowment for the Humanities
- Department of Education
- Department of Housing and Urban Development
- National Science Foundation
- National Park Service

Federal funds subawarded from a state arts agency, regional arts organization, or local arts agency cannot be used as part of your recipient cost share either. Pass-through entities are required to notify their subawardee (i.e., you) of the source of funds in their subaward agreement with you.

Unrecovered Indirect Costs.

The NEA accepts unrecovered indirect costs as cost share. Your organization must have a current NICRA to include unrecovered indirect costs as part of 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 goods or services 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 CASH + TOTAL IN-KIND = TOTAL RECIPIENT SHARE FOR THIS PROJECT

Amount of NEA offered/awarded funding for this project = NEA AMOUNT

TOTAL RECIPIENT SHARE + NEA AMOUNT = TOTAL PROJECT INCOME

APPENDIX A - 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 on unallowables see Subpart E – Cost Principles in 2 CFR 200, the NEA guidelines applicable to your award, as well as the applicable *General Terms and Conditions*, and *Terms and Conditions* governing your award.

It is your responsibility to be familiar with these requirements regarding unallowable costs. Neither the NEA award nor your cost share can fund unallowable costs. In other words, do not any unallowable costs in the Project Budget.

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 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 that are 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 that are 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 and merchandise 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 award period of performance.
17. Lobbying.

APPENDIX B – SAMPLE FEDERALLY NEGOTIATED INDIRECT COST RATE AGREEMENT (NICRA)

This is a sample agreement to demonstrate where to find the data required to complete **Section B. Indirect Costs** is found on a federally negotiated indirect cost rate agreement. This sample is from the Department of the Interior's Interior Business Center who negotiates rates on behalf of the NEA. Other agencies, while including the same information, may use a slightly different format.

- **Cognizant Agency.** The federal agency that your organization negotiated with for the indirect cost rate agreement. Usually on the first or last page of the agreement.
- **Type.** "Rate type" on the agreement. In the example below, the "rate type" is "predetermined."
- **Rate.** The "rate" is the percentage that may be charged to the award for indirect costs. It is applied to the specific direct cost "base" found below the rate section.
- **Base.** Portion of direct costs used to compute indirect costs. To calculate the amount of allowable indirect costs, multiply the base, in this example, total direct costs by the rate.
- **Period From; Period To.** Effective dates of the indirect cost rate. This is the effective period of the agreement, not the period of performance of an award. Look for the start and end dates on the agreement that most closely matches the approved period of performance of an award.

Nonprofit Organization
Indirect Cost Negotiation Agreement

EIN: _____ **Date:** _____

Organization: _____ **Report Number:** _____

Filing Ref.:
 Last Negotiation Agreement
 dated: _____

The indirect cost rates contained herein are for use on grants, contracts, and other agreements with the Federal Government to which Public Law 93-638 and/or 2 CFR Part 200 apply subject to the limitations contained in Section II.A. of this agreement. The rates were negotiated by the U.S. Department of the Interior, Interior Business Center, and the subject organization in accordance with the authority contained in applicable regulations.

Section I: Rate

Start Date	End Date	Rate Type	Name	Rate	Base	Location	Applicable To
07/01/2022	06/30/2023	Predetermined	Indirect	17.71 %	(A)	All	All Programs
07/01/2023	06/30/2024	Predetermined	Indirect	17.71 %	(A)	All	All Programs
07/01/2024	06/30/2025	Predetermined	Indirect	17.71 %	(A)	All	All Programs

(A) Base: Total direct costs, less capital expenditures and the portion of subawards in excess of the first \$25,000.

Treatment of fringe benefits: Fringe benefits applicable to direct salaries and wages are treated as direct costs; fringe benefits applicable to indirect salaries and wages are treated as indirect costs.

Treatment of paid absences: Vacation, holiday, sick leave, and other paid absences are included in salaries and wages and are claimed on grants, contracts, and other agreements as part of the normal cost for the salaries and wages. Separate claims for the costs of these paid absences are not made.

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.