

NATIONAL ENDOWMENT FOR THE HUMANITIES

BUDGET INFORMATION, INSTRUCTIONS, AND FORMS

Before developing a project budget, applicants should review the program guidelines to determine cost sharing expectations, types of grant support, allowable grant periods, and any restrictions on the types of costs that may appear in the project budget. Also, some programs have a special budget form that should be used instead of the standard NEH Budget Form.

Types of Grant Support

NEH supports projects with outright funds, matching funds, or a combination of the two.

- **Outright Funds**

Outright funds are awarded by the Endowment and are not contingent on additional fund-raising.

- **Federal Matching Funds**

Federal matching funds require a grantee to secure gift funds from third parties before federal funds are awarded. Except for Challenge Grants, NEH matching grants are made on a one-to-one basis.

Because matching awards enable NEH to provide support to a greater number of projects, applicants are encouraged to request complete or partial support in the form of matching grants. Whenever possible, applicants requesting federal matching funds should identify potential sources of gift funds at the time they submit an application to NEH (see Eligible Gifts and Donors below).

- **Combined Funds**

Applicants may request a combination of outright and federal matching funds. For example, if an applicant is requesting \$40,000 in NEH funds, and the applicant includes in its cost sharing \$5,000 from an eligible third-party donor, the applicant should request \$5,000 in federal matching funds. The balance of the NEH request (\$35,000) may be made in outright funds.

NEH may offer funding at a different level than that requested. In some instances, NEH may offer federal matching funds only, or it may offer a combination of federal matching and outright funds in response to a request for outright funds.

Cost Sharing

NEH normally can contribute only part of the funds needed to carry out projects. Cost sharing consists of the cash contributions made to the project by the applicant and third parties as well as third party in-kind contributions, such as donated services and goods. Cost sharing includes gift money that will be raised to release federal matching funds. Please see program guidelines for specific cost sharing expectations.

Grant Period

The grant period encompasses the entire period for which NEH support is requested in the current application. All project activities and the expenditure of project funds must occur during the grant period.

In determining the beginning date of a proposed grant period, applicants should refer to the program guidelines. Grant periods begin on the first day of the month and end on the last day of the month.

Eligible Gifts and Donors

For the purpose of NEH's gifts and matching program, a gift is a voluntary transfer of money (or a noncash contribution that is subsequently converted to cash) from a nonfederal third party to the applicant without compensation or consideration in return. Only gifts that will be used to support budgeted project activities during the grant period are eligible to be matched with federal funds. Ineligible donors include the applicant who will carry out the project and any institution or individual who is involved in project activities and will receive some sort of remuneration from project funds. For further information, please see the Federal Matching Funds guidelines (http://www.neh.gov/manage/matching_funds.html)

Project Costs

The budget should include the project costs that will be charged to grant funds as well as those that will be supported by applicant or third-party cash and in-kind contributions (cost sharing). In-kind contributions include the value of services or equipment that is donated to the project free of charge.

All of the items listed, whether supported by grant funds or cost sharing contributions, must be reasonable, necessary to accomplish project objectives, allowable in terms of the applicable federal cost principles, auditable, and incurred during the grant period. Charges to the project for items such as salaries, fringe benefits, travel, and contractual services must conform to the written policies and established practices of the applicant organization.

When indirect costs are charged to the project, care should be taken to ensure that expenses included in the organization's indirect cost pool (see Indirect Costs) are not charged to the project as direct costs.

Fringe Benefits

Fringe benefits may include contributions for social security, employee insurance, pension plans, etc. Only those benefits not included in an organization's indirect cost pool may be shown as direct costs.

Travel Costs

The lowest available commercial fares for coach or equivalent accommodations must be used and foreign travel must be undertaken on U.S. flag carriers when such services are available.

Equipment

Only when an applicant can demonstrate that the purchase of permanent equipment will be less expensive than rental may charges be made to the project for such purchases. Permanent equipment is defined as nonexpendable personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more.

Services

The costs of project activities to be undertaken by a third-party contractor should be included in this category as a single line item charge. A complete itemization of the cost comprising the charge should be attached to the NEH budget. If there is more than one contractor, each must be budgeted separately on the NEH form and must have an attached itemization.

Indirect Costs (Overhead)

These are costs that are incurred for common or joint objectives and therefore cannot be readily identified with a specific project or activity of an organization. Typical examples of indirect cost type items are the salaries of executive officers, the costs of operating and maintaining facilities, local telephone service, office supplies, and accounting and legal services.

Indirect costs are computed by applying a negotiated indirect cost rate to a distribution base (usually the direct costs of the project). Organizations that wish to include overhead charges in the budget but do not have a current federally negotiated indirect cost rate or have not submitted a pending indirect cost proposal to a federal agency may choose one of the following options:

1. NEH will not require the formal negotiation of an indirect cost rate, provided the charge for indirect costs does not exceed 10 percent of direct costs, less distorting items (e.g., capital expenditures, participant stipends, major subcontracts), up to a maximum total project charge of \$5,000 per year. (Applicants who choose this option should understand that they must maintain documentation to support overhead charges claimed as part of project costs.)
2. If your organization wishes to use a rate higher than 10 percent or claim more than \$5,000 in indirect costs per year, an estimate of the indirect cost rate and the charges should be provided on the budget form. If the application is approved for funding, you will be instructed to contact the NEH Office of the Inspector General to develop an indirect cost proposal.
3. For Public Programs projects only: If the applicant is a sponsorship (umbrella) organization, it may choose to charge an administrative fee of 5% of total direct costs.

SAMPLE BUDGET COMPUTATIONS

| | NEH Funds (a) | Cost Sharing (b) | Total (c) | |
|---|-------------------|----------------------|---|----------|
| Salaries and Wages | | | | |
| <i>Jane Doe/Project Director</i> 9 months x 100% @ \$40,000/academic yr. | \$20,000 | \$20,000 | \$40,000 | |
| <i>Jane Doe</i> 1 summer month x 100% @ \$3,000 | \$ 3,000 | | \$ 3,000 | |
| <i>John Smith/Research Assistant</i> 6 months x 50% @ \$30,000/yr. | \$ 7,500 | | \$ 7,500 | |
| <i>Secretarial Support</i> 3 months x 100% @ \$20,000/yr. | \$ 5,000 | | \$ 5,000 | |
| Fringe Benefits | | | | |
| 15% of \$50,500 | \$ 4,775 | \$ 2,800 | \$ 7,575 | |
| 10% of \$ 5,000 | \$ 500 | | \$ 500 | |
| Travel | | | | |
| | no. of persons | total travel days | subsistence costs + transport. costs = | |
| New York/Chicago | [2] | [4] | \$800 \$600 | \$ 1,400 |
| Various/ Wash. D.C. conf. | [5] | [10] | \$750 \$500 | \$ 1,250 |
| Consultant Fees | | | | |
| Epistemologist 5 days @ \$250/day | \$ 1,250 | | \$ 1,250 | |
| Services | | | | |
| Long Distance Telephone est. 40 toll calls @ \$3.00 | \$ 120 | | \$ 120 | |
| Conference Brochure 50 copies @ \$3.50/copy | \$ 175 | | \$ 175 | |
| TOTAL DIRECT COSTS | \$44,970 | \$22,800 | \$67,770 | |
| Indirect Costs | | | | |
| 20% of \$67,770 | <u>\$ 8,994</u> | <u>\$ 4,560</u> | <u>\$13,554</u> | |
| TOTAL PROJECT COSTS (Direct and Indirect) | \$53,964 | \$27,360 | \$81,324 | |

NATIONAL ENDOWMENT FOR THE HUMANITIES

BUDGET FORM

Project Director: _____

Applicant Organization: _____

Requested Grant Period From (mo/yr): _____ Thru (mo/yr): _____

If this is a revised budget, indicate the NEH application/grant number: _____

*The three-column budget has been developed for the convenience of those applicants who wish to identify the project costs that will be charged to NEH funds and those that will be cost shared. **FOR NEH PURPOSES, THE ONLY COLUMN THAT NEEDS TO BE COMPLETED IS COLUMN C.** The method of cost computation should clearly indicate how the total charge for each budget item was determined. If more space is needed for any budget category, please follow the budget format on a separate sheet of paper.*

SECTION A

Budget detail for the period FROM (mo/yr): _____ THRU (mo/yr): _____

When the proposed grant period is eighteen months or longer, project expenses for each twelve-month period are to be listed separately and totaled in the last column of the summary budget. For projects that will run less than eighteen months, only the last column of the summary budget should be completed.

1. Salaries and Wages

Provide the names and titles of the principal project personnel. For support staff, include the title of each position and indicate in brackets the number of persons who will be employed in that capacity. For persons employed on an academic year basis, list separately any salary charge for work done outside the academic year.

| Name/Title of Position | No. | Method of Cost Computation (see sample) | NEH Funds (a) | Cost Sharing (b) | Total (c) |
|------------------------|-----|--|------------------|---------------------|--------------|
| _____ | [] | _____ | \$ _____ | \$ _____ | \$ _____ |
| _____ | [] | _____ | \$ _____ | \$ _____ | \$ _____ |
| _____ | [] | _____ | \$ _____ | \$ _____ | \$ _____ |
| _____ | [] | _____ | \$ _____ | \$ _____ | \$ _____ |
| _____ | [] | _____ | \$ _____ | \$ _____ | \$ _____ |
| _____ | [] | _____ | \$ _____ | \$ _____ | \$ _____ |
| _____ | [] | _____ | \$ _____ | \$ _____ | \$ _____ |
| SUBTOTAL | | | \$ _____ | \$ _____ | \$ _____ |

2. Fringe Benefits

If more than one rate is used, list each rate and salary base.

| Rate | Salary Base | (a) | (b) | (c) |
|---------------------|-------------|----------|----------|----------|
| _____ % of \$ _____ | _____ | \$ _____ | \$ _____ | \$ _____ |
| _____ % of \$ _____ | _____ | \$ _____ | \$ _____ | \$ _____ |
| _____ % of \$ _____ | _____ | \$ _____ | \$ _____ | \$ _____ |
| SUBTOTAL | | \$ _____ | \$ _____ | \$ _____ |

3. Consultant Fees

Include payments for professional and technical consultants and honoraria.

| Name or type of consultant | No. of days on project | Daily rate of compensation | NEH Funds (a) | Cost Sharing (b) | Total (c) |
|----------------------------|------------------------|----------------------------|---------------|------------------|-----------|
| _____ | _____ | _____ | \$ _____ | \$ _____ | \$ _____ |
| _____ | _____ | _____ | \$ _____ | \$ _____ | \$ _____ |
| _____ | _____ | _____ | \$ _____ | \$ _____ | \$ _____ |
| _____ | _____ | _____ | \$ _____ | \$ _____ | \$ _____ |
| SUBTOTAL | | | \$ _____ | \$ _____ | \$ _____ |

4. Travel

For each trip, indicate the number of persons traveling, the total days they will be in travel status, and the total subsistence and transportation costs for that trip. When a project will involve the travel of a number of people to a conference, institute, etc., these costs may be summarized on one line by indicating the point of origin as "various." All foreign travel must be listed separately.

| From/To | # | * | Subsistence Costs + | Transportation Costs = | (a) | (b) | (c) |
|----------|-----|-----|---------------------|------------------------|----------|----------|----------|
| _____ | [] | [] | \$ _____ | \$ _____ | \$ _____ | \$ _____ | \$ _____ |
| _____ | [] | [] | \$ _____ | \$ _____ | \$ _____ | \$ _____ | \$ _____ |
| _____ | [] | [] | \$ _____ | \$ _____ | \$ _____ | \$ _____ | \$ _____ |
| _____ | [] | [] | \$ _____ | \$ _____ | \$ _____ | \$ _____ | \$ _____ |
| _____ | [] | [] | \$ _____ | \$ _____ | \$ _____ | \$ _____ | \$ _____ |
| _____ | [] | [] | \$ _____ | \$ _____ | \$ _____ | \$ _____ | \$ _____ |
| SUBTOTAL | | | | | \$ _____ | \$ _____ | \$ _____ |

- Number of persons * - Total travel days

5. Supplies and Materials

Include consumable supplies, materials to be used in the project and items of expendable equipment (i.e., equipment items costing less than \$5,000 and with an estimated useful life of less than a year).

| Item | Basis/Method of Cost Computation | (a) | (b) | (c) |
|----------|----------------------------------|----------|----------|----------|
| _____ | _____ | \$ _____ | \$ _____ | \$ _____ |
| _____ | _____ | \$ _____ | \$ _____ | \$ _____ |
| _____ | _____ | \$ _____ | \$ _____ | \$ _____ |
| _____ | _____ | \$ _____ | \$ _____ | \$ _____ |
| _____ | _____ | \$ _____ | \$ _____ | \$ _____ |
| _____ | _____ | \$ _____ | \$ _____ | \$ _____ |
| _____ | _____ | \$ _____ | \$ _____ | \$ _____ |
| SUBTOTAL | | \$ _____ | \$ _____ | \$ _____ |

6. Services

Include the cost of duplication and printing, long distance telephone calls, equipment rental, postage, and other services related to project objectives that are not included under other budget categories or in the indirect cost pool. For subcontracts, provide an itemization of subcontract costs as an attachment.

| Item | Basis/Method of Cost Computation | NEH Funds (a) | Cost Sharing (b) | Total (c) |
|-------|----------------------------------|------------------|---------------------|--------------|
| _____ | _____ | \$ _____ | \$ _____ | \$ _____ |
| _____ | _____ | \$ _____ | \$ _____ | \$ _____ |
| _____ | _____ | \$ _____ | \$ _____ | \$ _____ |
| _____ | _____ | \$ _____ | \$ _____ | \$ _____ |
| _____ | _____ | \$ _____ | \$ _____ | \$ _____ |
| _____ | _____ | \$ _____ | \$ _____ | \$ _____ |
| _____ | _____ | \$ _____ | \$ _____ | \$ _____ |
| | SUBTOTAL | \$ _____ | \$ _____ | \$ _____ |

7. Other Costs

Include participant stipends and room and board, equipment purchases, and other items not previously listed. Please note that “miscellaneous” and “contingency” are not acceptable budget categories. Refer to the budget instructions for the restriction on the purchase of permanent equipment.

| Item | Basis/Method of Cost Computation | NEH Funds (a) | Cost Sharing (b) | Total (c) |
|-------|----------------------------------|------------------|---------------------|--------------|
| _____ | _____ | \$ _____ | \$ _____ | \$ _____ |
| _____ | _____ | \$ _____ | \$ _____ | \$ _____ |
| _____ | _____ | \$ _____ | \$ _____ | \$ _____ |
| _____ | _____ | \$ _____ | \$ _____ | \$ _____ |
| _____ | _____ | \$ _____ | \$ _____ | \$ _____ |
| _____ | _____ | \$ _____ | \$ _____ | \$ _____ |
| _____ | _____ | \$ _____ | \$ _____ | \$ _____ |
| | SUBTOTAL | \$ _____ | \$ _____ | \$ _____ |

8. Total Direct Costs (add subtotals of items 1 to 7) \$ _____ \$ _____ \$ _____

9. Indirect Costs

This budget item applies only to institutional applicants. If indirect costs are to be charged to this project, **CHECK THE APPROPRIATE BOX BELOW** and provide the information requested. Refer to the budget instructions for explanations of these options.

- Current indirect cost rate(s) has/have been negotiated with federal agency. (Complete items A and B.)
- Indirect cost proposal has been submitted to a federal agency, but not yet negotiated. (Indicate the name of the agency in Item A and show proposed rate(s) and base(s) and the amount(s) of indirect costs in item B.)
- Indirect cost proposal will be sent to NEH if application is funded. (Provide in Item B an estimate of the rate that will be used and indicate the base against which it will be charged and the amount of indirect costs.)
- Applicant chooses to use a rate not to exceed 10% of direct costs, less distorting items, up to a maximum charge of \$5,000 per year. (Under Item B, enter the proposed rate, the base against which the rate will be charged, and the computation of indirect costs or \$5,000 per year, whichever value is less.)
- For Public Program projects only: Applicant is a sponsorship (umbrella) organization and chooses to charge an administrative fee of 5% of total direct costs. (Complete Item B.)

Item A. Name of federal agency: _____
Date of agreement: _____

Item B.

| Rate(s) | Base(s) | NEH Funds (a) | Cost Sharing (b) | Total (c) |
|-----------------------------|---------|------------------|---------------------|--------------|
| _____ % of \$ | _____ | \$ _____ | \$ _____ | \$ _____ |
| _____ % of \$ | _____ | \$ _____ | \$ _____ | \$ _____ |
| _____ % of \$ | _____ | \$ _____ | \$ _____ | \$ _____ |
| TOTAL INDIRECT COSTS | | \$ _____ | \$ _____ | \$ _____ |

10. Total Project Costs \$ _____ \$ _____ \$ _____
(Direct and Indirect) for budget period.

SECTION B

SUMMARY BUDGET

Transfer from Section A the total costs (column C) for each category of project expense. When the proposed grant period is eighteen months or longer, project expenses for each twelve-month period are to be listed separately and totaled in the last column of the summary budget. For projects that will run less than eighteen months, only the last column of the summary budget should be completed.

| <i>Budget categories</i> | First year from: thru: | Second year from: thru: | Third year from: thru: | TOTAL COSTS FOR ENTIRE GRANT PERIOD |
|--|------------------------------|-------------------------------|------------------------------|---|
| 1. Salaries and wages | \$ _____ | \$ _____ | \$ _____ | = \$ _____ |
| 2. Fringe benefits | \$ _____ | \$ _____ | \$ _____ | = \$ _____ |
| 3. Consultant fees | \$ _____ | \$ _____ | \$ _____ | = \$ _____ |
| 4. Travel | \$ _____ | \$ _____ | \$ _____ | = \$ _____ |
| 5. Supplies and materials | \$ _____ | \$ _____ | \$ _____ | = \$ _____ |
| 6. Services | \$ _____ | \$ _____ | \$ _____ | = \$ _____ |
| 7. Other costs | \$ _____ | \$ _____ | \$ _____ | = \$ _____ |
| 8. Total direct costs (Items 1-7) | \$ _____ | \$ _____ | \$ _____ | = \$ _____ |
| 9. Indirect costs | \$ _____ | \$ _____ | \$ _____ | = \$ _____ |
| 10. Total project costs (direct and indirect) | \$ _____ | \$ _____ | \$ _____ | = \$ _____ |

PROJECT FUNDING FOR ENTIRE GRANT PERIOD

1. Indicate the amount of outright and/or federal matching funds that is requested from NEH.
2. Indicate the amount of cash contributions that will be made by the applicant and cash and in-kind contributions made by third parties to support project expenses that appear in the budget. Cash gifts that will be raised to release federal matching funds should be included under "Third-party contributions." (Consult the program guidelines for information on cost sharing requirements.) When a project will generate income that will be used during the grant period to support expenses listed in the budget, indicate the amount of income that will be expended on budgeted project activities. Indicate funding received from other federal agencies.
3. Total Project Funding should equal Total Project Costs.

1. REQUESTED FROM NEH

Outright \$ _____

Federal Matching \$ _____

TOTAL NEH FUNDING \$ _____

2. COST SHARING

Applicant's contributions \$ _____

Third-party contributions \$ _____

Project income \$ _____

Other federal agencies \$ _____

TOTAL COST SHARING \$ _____

3. TOTAL PROJECT FUNDING (Total NEH Funding + Total Cost Sharing) : \$ _____

Submission of a Revised Budget

When submitting a revised budget, the Institutional Grant Administrator or Individual Applicant should provide the information requested below. The signature of this person indicates approval of the budget submission and the agreement of the organization/individual to cost share project expenses at the level under "Project Funding."

Name and Title: _____

Telephone: _____ E-mail: _____

Signature: _____ Date: _____