



HOW TO MANAGE YOUR NATIONAL ENDOWMENT FOR THE ARTS AWARD and eGMS REACH HANDBOOK

FOR RECIPIENTS OF GRANTS AND COOPERATIVE AGREEMENTS
TO ORGANIZATIONS ISSUED AFTER OCTOBER 1, 2017

Including updates effective for awards made as of October 1, 2020.

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Manage Your Award

The *How to Manage Your National Endowment for the Arts Award Handbook and eGMS REACH* (the "Handbook") is a companion piece to other National Endowment for the Arts (NEA or Arts Endowment) award materials, including but not limited to, the *General Terms and Conditions*, payment and reporting forms, and associated instructions for awards made after October 1, 2017.

Updates to policies and procedures are added as appropriate, and if related to 2 CFR, notated with the Federal Register dates. The Office of Grants Management staff is available to assist you with all aspects of managing your award. However, we strongly encourage you to review this information in its entirety before contacting us.

Award recipients are responsible for understanding and complying with all of the terms and conditions associated with their National Endowment for the Arts award.

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BASIC AWARD ADMINISTRATION

The National Endowment for the Arts (Arts Endowment or NEA) Office of Grants Management is the only office authorized on behalf of the Chairman to make awards, approve changes, and review and approve payments and reports. While you may have worked with discipline staff on application issues, once an award is made, all formal award-related communication and documentation must come directly to the Office of Grants Management, in most cases using the Agency's online awards management system called **eGMS REACH (REACH)**. Sending material to any other Arts Endowment office will delay the review and processing of your request.

1. Working with the Office of Grants Management and REACH

Participants associated with an offered application or award receive REACH access instructions with the offer and/or award notifications.

1.1 Login.gov

Offerees and awardees access REACH via a **Login.gov** account. **Login.gov** is a sign in service used by the public to securely access your information on federal government websites. Once you set up a **Login.gov** account, you can use the same user name and password to access multiple government websites, including REACH, SAM.gov, and Grants.gov.

- You must use a unique-to-you email address for **Login.gov** (for example, jane.doe@email.com). This should not be an email account that is shared by multiple people.
- Login.gov accounts are specific to an individual and are NOT to be shared with others, even within the same organization.
- Using another person's email address and password to access REACH through login.gov is strictly prohibited and may result in loss of access to REACH for the account holder.

1.2 What can I see and do in REACH?

Through REACH, you can:

- View official award documents including the offer, the Official Notice of Action, terms and conditions, reporting requirements and deadlines, and other important information.
- Submit payment requests, change/amendment requests, and Final Report documents and see their various statuses (e.g., under review, approved, denied, request for resubmission).

You can log into REACH via your own **Login.gov** account by selecting one of the 3 options on the REACH home page at <https://grants.arts.gov/eGMS-Reach/Login.aspx>.

1.3 Personnel Updates for REACH

Access to REACH is assigned to a specific individual and is non-transferrable. You must not submit documents or correspond using someone else's Login.gov account. REACH access may be closed for security purposes if used by unauthorized personnel.

Current award participants can request access to REACH for new personnel by selecting "**A. We Need to Update People on this Award**" from the **Change Requests Tab** for specific awards. Access to REACH relies upon the email address of each

official participant in the project. Ensure that all email addresses are unique to that particular person, are not for generic or shared mailboxes, and are entered correctly when requesting a change.

- If you are replacing an authorizing official, project director, or grants administrator, the previous ones will be automatically removed from the award and will no longer have REACH access.
- You may request REACH access for additional people, such as a co-project director, financial manager, or others who will help manage this award.

1.4 Communicating with Office of Grants Management staff

- For specific questions about an award: Send a message through that award's REACH **Messages Tab**.
- For general questions about award management: Contact us by email at grants@arts.gov. Be sure to provide your award number(s) so we can access your information quickly.

2. Your Award Notification

Awardees are notified of an award via an email with the sample subject line:

National Endowment for the Arts: Award Notice XXXXXXXX-XX-XX to Your Organization

The email will direct you to REACH to view the official award documents.

READ YOUR AWARD DOCUMENTS CAREFULLY. You are responsible for understanding and complying with all of the legal, financial, and administrative policies and requirements pertaining to your award. Award documents are found on the **Documents Tab** in the REACH record for the specific award. Your award documents include:

2.1 Chair's Award Acknowledgement

This is a congratulatory letter from the Chair of the National Endowment for the Arts or delegate.

2.2 Official Notice of Action

This is your official award document. You do not need to co-sign the Notice of Action (NOA) to accept the award.

★ **Submission of a request for funds (payment request) constitutes your agreement to comply with all the terms and conditions of the award.**

The NOA contains important information, including:

- **Type of Action Taken.** This includes the **Date of Action** and **Award Date**. The type of action is an award and the date of action and award date are the same in most cases.
- **Federal Award ID Number (FAIN).** Your National Endowment for the Arts award number for your project. Include it on all award-related communications.
- **Award Recipient.** The legal name of the official awardee.
- **Award Recipient Unique Entity Identifier (UEI).** A UEI assigned by the System for Award Management (SAM.gov) is required for applying for and obtaining federal funds. You will need a UEI to do business with the NEA. A UEI is automatically generated for current and new entities renewing and updating their System for Award

Management (SAM) record.

- **Period of Performance and Budget Period.** The approved award period indicating the project start date and end date during which funds are budgeted. All approved project activity, whether supported with Arts Endowment funds or recipient cost share (match), must take place within this time frame. Only costs associated with approved activities incurred during this time period can be charged to the award.
- **Assistance Listing (formerly Catalog of Federal Domestic Assistance or CFDA Number).** Each award program in the federal government is assigned a specific number. The Arts Endowment has two active assistance listing numbers related to grantmaking:
 - 45.024 Promotion of the Arts Grants to Organizations and Individuals
 - 45.025 Promotion of the Arts Partnership Agreements
- **Project Description.** A brief description of the project as supported by the NEA.
- **Grant Program and Office.** The guidelines/opportunity under which you applied and the artistic discipline or program office associated with your award.
- **Award Amounts.** There are three lines here: (1) amount of federal funds obligated by this action, (2) total amount of federal funds obligated, and (3) total amount of the federal award. In most cases, these all will be the same amount. Your award amount = Total Amount of the Federal Award.
- **Recipient Contacts.** Official participants on the award with access to REACH. Usually, this is the authorizing official, project director, and grants administrator/contact person. Non-required participants are not included.

The NOA also includes information about the cost sharing requirements and contact information for the Office of Grants Management, as well as a link to the Agency's **General Terms and Conditions (GTCs)** for your award.

The **GTCs** outline your responsibilities as an award recipient. They should be reviewed by program and financial staff at your organization. It is important to remember that:

-- the **GTCs** are based on federal statutes, government-wide requirements for all federal financial assistance awards, and the NEA's own legislation and policies.

-- You are responsible for understanding and complying with all of the legal, financial, and administrative requirements outlined in the **GTCs**.

2.3 Terms and Conditions - Important Information and Specific Terms

This document focuses on applicable specific terms and notes that pertain to the approved project and budget. It may also contain other award-specific requirements, such as an annual progress report.

Note: If a specific term or requirement conflicts with information provided in the GTCs, the specific term takes precedence. Examples of specific terms may include the requirement to:

- Comply with the National Historic Preservation Act by undergoing a Section 106 review.
- Provide in-kind documentation when requesting payment, when needed to meet the required cost share.

- Submit Institutional Review Board (IRB) clearance for projects that involve human subjects research.

Some specific terms may also be included as separate files in the **Documents Tab** in REACH.

2.4 Award Reporting Requirements – Forms & Reports Tab

This document details the required final reports and their due dates. It will also specify a work product if one is required. Additionally, the same final report information is provided on the **Forms & Reports Tab** in REACH.

Some award programs and individual cooperative agreements may also include specific reporting requirements tied to project milestones that are visible in the award documents, on the Terms and Conditions Document, and the Forms & Reports Tab in REACH.

3. Requesting Award Funds

You will use REACH to submit your request for Arts Endowment funds, which are issued via ACH (Automated Clearing House) transfer.

- Award funds are NOT automatically disbursed; they must be requested via REACH.
- We do NOT issue checks.

Carefully read the instructions for completing and submitting your request.

To help us process your request as quickly as possible, ensure your entity's registration and banking information are correct and up-to-date in SAM before submitting the request. **We cannot release funds if your SAM registration is expired or if SAM shows that your organization has delinquent federal debt subject to offset.**

Note: The National Endowment for the Arts has partnered with Enterprise Service Center (ESC), a division of the US Department of Transportation's Federal Aviation Administration (FAA), to process payments. ESC reviews and sets up the payments to go to the U.S. Treasury for final issuance to the bank account in your entity's SAM account. If there are questions regarding your organization's SAM account or banking information you may receive an email from ESC. ESC's emails are sent from **@faa.gov** addresses.

3.1 Verify that Your Bank Information is Correct in SAM

Arts Endowment payments will be made to this bank account. If your organization's banking information changes, you must immediately update it in SAM before requesting payment.

3.2 Submitting Payment Requests in REACH

Log into REACH and select the correct award under **Awards**. Go to the award's **Payments Tab** and click the **Add Payment Request** button to complete the online payment request. Instructions for completing the form are available by clicking the button "View Payment Request Instructions" at the top of the form.

3.3 Progress Report

The progress report section of the payment request is required and must be submitted the first time the cumulative amount requested exceeds two thirds (2/3) of the Arts Endowment award amount. The progress report must include a description of grant supported activities that:

- (1) Have been undertaken since the period of performance start date, and

- (2) Are scheduled for the remainder of the period of performance. Do not include information about activities or costs that were not approved as part of your award.

3.4 Tips for Preparing Your Payment Request

Reimbursement requests must be based on actual, documentable expenditures corresponding to the approved project budget. Do not reiterate your approved project budget and do not include unallowable costs in your total project outlays.

- *Remaining award funds less than \$1.00 are routinely de-obligated when the award is closed out.*

Recipients on an alternative method of payment (which would be noted as a specific term in your **Terms and Conditions – Important Information** document) must contact the Office of Grants Management at grants@arts.gov for guidance before submitting initial payment requests. See also the NEA’s Office of the Inspector General’s guidance documents at <https://www.arts.gov/about/inspector-general/guidance>.

3.5 How Often Can I Request Funds?

This is up to you and your usual business processes. You may request funds on a monthly, quarterly, or other as-needed basis. You may also request your funds all at one time if you have incurred the costs already or expect to incur the costs in the next 30 days.

- Wait until your period of performance begins before submitting a payment request; requests will not be approved before that date.
- Each request must reflect allowable project-related expenses already incurred (a reimbursement) and/or expenses expected to be incurred within thirty (30) calendar days from the date of the request (an advance).
- All project costs must be incurred within the approved period of performance.
- Each payment request must be **CUMULATIVE**, both in terms of total project spending and total grant funds requested.
 - Awardees frequently forget that the **Federal Share Amount (line 6e)** is the total amount of NEA funds that have been requested for this award to date.
 - Approved payments and previous requests that are still under review should be reflected on **line 6f, Payment Previously Requested**.

3.6 How Long Does It Take to Get Our Funds?

Initial review of your payment request generally occurs within 30 days of receipt. After approval, the payment request is routed for further review and processing by ESC, which then submits the request to the U.S. Treasury to complete the ACH transfer to your account.

To check on the status of your payment, log into REACH and select the correct award. Click on the **Payments Tab**. Scroll down to view the Payment Request, then check the Status/Date field. Approved payments will have **“Approved XX/XX/XXXX”** in the Status/Date field. Funds will generally be in your account within two weeks after that date.

If it has been more than two weeks since the **“Approved XX/XX/XXXX”** in the Status/Date field in REACH and you believe the payment has not been received, contact your bank. Ask your bank for confirmation of an incoming ACH credit from the U.S. Treasury (not a wire transfer). If your bank has no record of the ACH transfer, email grants@arts.gov and we will investigate further.

3.7 Is There A Deadline for Requesting Funds?

Most awardees submit payment requests during the period of performance as approved costs are incurred and expended. Payment can also be requested at the time you submit final reports (see the **Forms & Reports Tab** for specific details about your award). You may request an extension for submitting reports and an associated payment request; approval of the extension is not guaranteed (see the following section for requesting changes).

4. Requesting Changes to Your Project

You are required to carry out a project consistent with the recommended application or proposal approved for funding by the Arts Endowment.

- **You must inform us of any project changes as soon as you become aware of them and before they are implemented.**
- Many changes require prior written approval from the Office of Grants Management.
- **Your program officer or other program/discipline staff cannot approve changes to your award, either verbally or in writing.**
- Failure to seek prior approval for changes may result in the disallowance of project costs and the need to return funds to the Arts Endowment.
- Requests for changes are considered on a case-by-case basis; **approval is not guaranteed**.

You must submit change requests through REACH as outlined below. Do not send your change request to any other Arts Endowment office. You can seek advice and discuss potential changes with appropriate program staff, but only the Office of Grants Management has the authority to formally approve changes. The Office of Grants Management will confer with other Agency staff as necessary during the review process.

4.1 Submitting Change Requests

If you need to make changes to the award, log into REACH and pick the correct award number under **Award**. Go to the **Change Requests Tab** and click the Submit a New Request button. Then select “**B. We Need to Make Changes to this Award.**”

As a reminder, if you are requesting access to REACH for new personnel who will be managing your award (see **1.3**) select “**A. We Need to Update People on this Award.**” This action is not a project amendment; do not select item **B**.

Follow any special instructions provided. Be sure to enter a detailed explanation and justification for your request. Upload additional documentation if necessary.

4.2 Time Extensions - Changes to the Period of Performance

All project activity must take place within the period of performance, which is the same as the budget period. Thus, all expenditures must be incurred within the period of performance as well.

You must request a time extension to extend your period of performance if you need more time to complete the project activity (e.g., if a performance is postponed due to artist availability, or your project is delayed from the original timeline). Requests to extend the period of performance beyond four years from the original project start date are rarely approved.

Time extensions may also be requested to allow for the completion of required work products such as films, catalogues, etc., as all project expenditures must be incurred within the approved period of performance.

For **subgranting awards** only: you cannot close out your prime award if you have open subgrants. You must request an extension to your own award's period of performance if your subawards are not closed out. Contact grants@arts.gov for guidance.

If a time extension results in an overlapping period of performance with another Arts Endowment award, you must ensure there are no overlapping activities or costs between the awards (see **12. Keeping Track of Multiple Federal Awards** for more details). Costs covered by the Arts Endowment funds and the cost share/match for your award cannot be included in any other federal award.

4.3 Project Scope Changes

You must notify us as soon as you become aware that approved project activities need to change substantially. Scope change requests are reviewed using the same criteria of artistic excellence and merit as were used during the panel review of your application. Provide a detailed justification for the change(s) requested. In some cases, we may require a revised project budget in order to determine the allowability and applicability of costs.

You **must request prior written approval** for the following changes to your project:

- Changes in **key participants** (e.g., artists and others whose participation was confirmed in your application or in a previous amendment, and are central to the success of your project). If artists are changing, include a short biographical sketch for each replacement.
- Changes in **primary project activities** (e.g., the removal or addition of a major program component, change in format from live presentations to virtual activity only, or a significant change in the intended reach of the project activities).
- Changes in the **artistic works presented**, including changes in content or themes (e.g., from contemporary to classical works), and **changes in a commissioned work**.
- Changes in locations for **public art** (e.g., changes may require additional review under the National Historic Preservation Act [NHPA]).
- Changes in the **phase of the project** being supported (e.g., from research, production and dissemination of a film to research and pre-production only).
- Changes in the **extent of touring** (e.g., if your multi-state tour changes to a single-state project).
- Changes in **required work products** (e.g., completion of a film to a working version or rough-cut, or the elimination of the product).

The following changes to your project **do NOT require prior approval**:

- Changes in non-confirmed artists who were listed as "proposed," "tentative," or "to be invited" in your initial application or approved project budget. Proposed artists may be replaced with artists of similar caliber without Arts Endowment approval.
- Changes to artist line ups for festivals, or other events where there are multiple artists and arts groups participating. *However*, if an artist is key to the festival or a headliner specifically identified in the application, you must submit a scope change request.
- Changes to project activity dates that fall within the approved period of performance.

- Changes to the title of a work, exhibition, or event (e.g. from a working title to a final title). *This is not considered an amendment.*

4.4 Budget Changes

Only approved costs included in your project budget can be supported with Arts Endowment funds and your cost share/matching funds. Use the Arts Endowment's **Project Budget form** for all budget change requests and upload through REACH. **Instructions** for preparing your budget are available on our website.

You **must request prior written approval** for the following changes to your project budget:

- Changes related to **foreign travel**. If you want to **add** foreign travel to the budget (e.g., if you could not confirm the country of origin/destination at the time of application, or if you are adding a new artist who will require foreign travel), you must request prior written approval. In your request, you must identify who is traveling and the countries they are coming from/going to. As a reminder:
 - We cannot approve travel to/from countries sanctioned by the U.S. Treasury's **Office of Foreign Assets Control**.
 - You must comply with the Fly America Act as outlined in the **GTCs**.
- Changes related to **equipment**. If you want to **add** the purchase of equipment you must request prior written approval. Equipment is defined as *an item of tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the non-federal entity for financial statement purposes, or \$5,000*.
 - Your request must identify the item being purchased, the unit cost, and include a justification of the necessity of the purchase and its relation to the project. Per Arts Endowment guidelines, purchase of vehicles is unallowable.

As a reminder:

 - If you included a justification for the purchase of equipment in your approved project budget, you do not need to do anything further.
- Changes related to **indirect costs**. If you want to **add** indirect costs to your approved project budget based on a federally-negotiated indirect cost rate agreement (ICRA) or **add** the use of the de minimis rate, you must submit a revised project budget form. If you have an established indirect cost rate agreement, upload the document in REACH, or include a link on the revised project budget to the ICRA on your website. See **14. Federally-Negotiated Indirect Cost Rate Agreements** for more information about indirect costs.

The following changes to your budget **do NOT require prior approval**:

- Transfers among existing direct cost line items (**not** including transferring funds to travel for international travel, see above).
- Elimination or addition of an allowable project cost that does not affect the scope of the award.
- Replacement of in-kind cost share/match with cash match, or other changes in cost share/match sources, as long as they meet all other cost share requirements.

4.5 Final Report Filing Extensions

You may request an extension to file your final reports if your project activities were completed within the approved period of performance but you are not able to submit your final reports on time.

4.6 We Need to Withdraw from the Award

If your organization is unable to carry out the approved project as funded by the Arts Endowment, you may withdraw. See **7. Declining an Award.**

5. Acknowledging Support from the National Endowment for the Arts

Acknowledgment of the National Endowment for the Arts must be prominently displayed in all materials and announcements for your funded project only. See the Manage Your Award section of www.arts.gov for copies of the most up-to-date National Endowment for the Arts logos.

If you received a project-based award (most fall into this category), you must only use the National Endowment for the Arts' name and logo in relation to your supported projects; do not advertise the NEA as a general donor to your organization or imply support for additional phases of your project beyond the period of performance.

If you received a CARES Act or American Rescue Plan grant, or a general operating support waiver, you must only use the National Endowment for the Arts' name and logo to indicate general operating support of your organization. NEA support must not be credited to specific programs or activities.

The Arts Endowment should not be included in lists of donors that are not specific to your supported project. Once your NEA-supported project has ended and the project details removed from your website and/or other materials, our logo must be removed as well. For general operating support, crediting must be removed when the period of performance ends.

5.1 For Print and Online Project Materials

A basic requirement is a phrase acknowledging support from the National Endowment for the Arts using the following language: "This project is supported in part by the National Endowment for the Arts."

- We encourage you to include "To find out more about how National Endowment for the Arts grants impact individuals and communities, visit www.arts.gov."
- In addition, we encourage you to use the **National Endowment for the Arts current logo** whenever possible to accurately indicate that either your project has been supported by the National Endowment for the Arts, or that your organization is currently receiving support from the National Endowment for the Arts. As the agency's logo has changed over the years, [please check the link above to make sure you are using the correct logo.](#)
- You may also use social media to indicate National Endowment for the Arts support of your project, such as "This project is supported in part by the National Endowment for the Arts." It's also acceptable to include the agency in a list among other project supporters. (On Twitter and Instagram, you may use **@NEAarts** instead of spelling out the full name of the agency.)

5.2 For Radio or Television Broadcast

We require the following voice-over language: "This project is supported in part by the National Endowment for the Arts. On the web at arts dot gov." For television broadcast, display of the National Endowment for the Arts logo and web address is required.

5.3 Changes to Required Acknowledgement Language

We reserve the right to change the language of the required acknowledgement of NEA support, as well as the right to disallow the use of our logo and acknowledgement of our support.

In addition, you may want to consult our **“Working with the Media” Toolkit** on our **Manage Your Award** web page. All **logo files** are available on our website.

6. Submitting Reports for Your Award

All NEA awards require a progress report the first time you request more than two-thirds (2/3) of the total award funds.

The final reporting requirements specific to your award are available on the **Forms & Reports Tab** in REACH. In addition, the **Terms and Conditions – Important Information** document for your award may indicate other reports that are required.

- 6.1 Progress Report.** A progress report is required once the cumulative amount of requested Arts Endowment funds exceeds 2/3 of the total award amount. Submit the report in the Progress Report field on the Payment Request form in REACH. See the instructions on our website.
- If you are submitting your final payment request at the same time as your Final Descriptive Report, you may use the Final Descriptive Report as your progress report. Type "See Final Descriptive Report" in the progress report field of the Payment Request.

6.2 Final Reports (2 CFR 200 update implemented as of 11/12/2020)

- If your award number has the fiscal year extension of **-20, -19, -18**, or earlier, e.g. 1234567-xx-**20**, your final reports are due no later than 90 days after the period of performance end date.
- If your award number has the fiscal year extension of **-21, -22, -23**, or later, e.g., 2225678-xx-**21**, your final reports are due no later than 120 days after the period of performance end date.
- You may request your final payment from the Arts Endowment and liquidate the federal and cost share/matching funds during the 90- or 120-day period. However, you may not incur new costs. If you need more time to complete your project, see **4. Requesting Changes to Your Project**.

Submit final reports through REACH by logging in and selecting the correct award. Go to the **Forms & Reports Tab** to view your reporting requirements and to submit your reports. Click on the black pen next to the report’s name to open up the report’s window. Follow the instructions for completing and submitting the report.

Required final reports may include the following:

- **Final Descriptive Report (FDR).** Narrative and statistical data about your award activities.
- **Federal Financial Report (FFR).** Final accounting of actual and allowable project expenditures including required cost share/match.
- **Geographic Location of Project Activity Report (GEO).** List of addresses where significant project activity took place. This report assists the Arts Endowment’s reporting to Congress on the geographic reach of its programs.
 - The GEO is submitted via the **Venues Tab**.
- **Work Product.** Products such as exhibition catalogues, films and audio recordings, commissioned scores and librettos, literary publications, and research papers are required only for certain projects. Any required

product will be listed with the other required final reports under the grant's **Forms & Reports Tab** in REACH, with specifics noted as "Special Instructions."

- If your Work Product "Special Instructions" specify links to publications, videos, or other materials, *please put those links in a PDF document that you upload as your work product.*
- In most cases, we request an electronic version of the product.
- If your electronic product is multiples (more than one book, journal, score, etc.), please submit one product through the **Forms & Reports Tab** and all others as a **REACH Message** attachment.
- If you must send a hard copy of the product(s), use an alternative delivery service such as FedEx or UPS. U.S. Postal Service security screening procedures cause delays in delivery and irreversible damage to publications, media materials, or other work products.

IMPORTANT INFORMATION ABOUT FINAL REPORT SUBMISSION

Organizations with overdue final reports will be **ineligible** for new awards and no payments will be made on existing awards. Any pending Arts Endowment application(s) will be **rejected** if the overdue reports are not received.

NOTICE:

1. If reports are still overdue 150 days after the end of your approved award period, any funds remaining on the award will be de-obligated by the Arts Endowment and no longer available to you. If a final report extension was approved prior to this deadline (See 4. Requesting Changes to Your Project), acceptable reports must be submitted by the extended due date, or any remaining funds will be de-obligated.
2. If you drew down award funds, but fail to submit acceptable final reports, your organization will be ineligible to receive Arts Endowment funding for five years following the final report due date of the award(s) or until the delinquent final reports are submitted.

6.3 Additional Final Reporting Tips

- Final reports must not include activities or expenditures that are inconsistent with the approved project and budget. Substantial changes to the project should have been reported to the Arts Endowment as a Change Request and approval requested for the changes prior to moving forward with the new activities and submitting final reports.
- Generally, we do not expect the expenditures reported on your FFR to match your original project budget to the dollar since your approved project budget was based on cost estimates and the FFR is based on actual expenditures. If your FFR matches your proposed budget exactly, we will contact you for clarification and you may be required to submit additional documentation of the costs.
- You are encouraged to submit your final reports early if you have completed all project activity and expended all Arts Endowment funds and required cost share/matching funds. For example, if your project had a one-year period of performance, but you've completed all project activities and incurred all costs by month seven, you may go ahead and close out your project without waiting until the final report due date.

Further advice on preparing and submitting final reports can be found in the **How to Prepare Your Final Reports** guides on our website: <https://www.arts.gov/manage-your-award/awards-made-after-oct1-2017>

7. Declining an Award

You may voluntarily decline the award (or “terminate” the award) at your request if you are unable to carry out the funded award activities. There is no penalty to your organization for this action.

Log into REACH and pick the correct award number under **Award**. Go to the **Change Requests Tab** and click the **Submit a New Request** button. Then select “**C. We Need to Withdraw from this Award.**” An authorizing official should submit the request. You must provide a detailed explanation of why you are unable to carry out the approved project.

No additional action is required if you have not drawn down funds. However, if you did draw down award funds, you must return them. See **8. Closing Out Your Award** for additional instructions.

8. Closing Out Your Award

Generally, your award is closed out after your final reports have been reviewed and accepted by Office of Grants Management staff. However, note the following:

8.1 Unused NEA Funds/Returning NEA Funds

Any Arts Endowment funds that you have not requested by the final reports due date may be de-obligated, which means the funds will no longer be available to you. Arts Endowment funds **cannot** be rolled over for use on future programs that were not part of the specific approved project, even for similar activity.

- If you will not be requesting any Arts Endowment funds that are remaining at the end of your period of performance, indicate this in the Remarks section of your Federal Financial Report (FFR). We will de-obligate the balance of federal funds in **box 10h**.
- Generally, we will require you to return funds if you drew down Arts Endowment funds but did not meet the cost share/matching requirement. Unless otherwise noted in your award document, we can only support up to 50% of the project’s total allowable costs (up to the Arts Endowment award amount).

To return funds, write a check payable to the National Endowment for the Arts. You **must** include your award number and the legal name of your organization on the check memo or cover sheet. Send the check to:



ESC/MMAC/NEA
AMK-326
P.O. BOX 25770
OKLAHOMA CITY, OK 73125

DO NOT send a check to the NEA, it will slow down processing of the check.

8.2 Record Retention

Records must be retained for **three years** from the date of submission of the award's Federal Financial Report. Review the **GTCs** for more information about record retention and access to your records.

9. National Endowment for the Arts Audits

Any recipient of National Endowment for the Arts funds may be selected to undergo an audit or other special review by our Office of Inspector General (OIG). The OIG evaluates a number of recipients each year for compliance with federal financial assistance regulations and requirements. If you are selected, the OIG will contact you to request documentation and schedule a site visit. Results of past audits and other reviews are available on the OIG section of our website.

9.1 Financial Management Systems and Internal Controls

Common audit findings include a lack of adequate systems to support the tracking and management of federal funds and activities, and the absence of written policies and procedures that meet federal requirements. Federal regulations frequently refer to an organization's written procedures for hiring, travel, procurement, etc. Be sure your organization's policies are in writing.

You may be required to return funds to the Arts Endowment if your organization cannot provide documentation supporting how the federal and cost share/matching funds were used for the approved project.

9.2 Documenting Salaries and Third-Party, In-Kind Contributions

All salaries charged to a federal award must be properly documented. This can be done through your accounting/payroll systems and/or through the maintenance of Personnel Activity Reports.

Third-party, in-kind contributions used as cost share/matching funds must also be properly documented. You must keep documentation of the fair market value of the goods or services provided.

- **Volunteer services furnished by a third-party.** Rates for third-party volunteer services must be consistent with those paid for similar work by your organization. If the required skills are not found in your organization, rates must be consistent with those paid for similar work in the labor market in which your organization competes for the kind of services involved.
- **When a third-party organization furnishes the services of an employee,** these services must be valued at the employee's regular rate of pay plus an amount of fringe benefits that is reasonable, necessary, allocable, and otherwise allowable, provided these services employ the same skill(s) for which the employee is normally paid.

Sample *Personnel Activity Reports* and *In-Kind Reporting* forms are available on our website.

10. Award Recipients' CPA Audit Confirmation Requests

Contact the National Endowment for the Arts' Finance Office if you require confirmation of award information for your own external audit purposes. The request must include:

- Your organization's legal name.
- The award number(s).
- The specific information your auditor requires, e.g., amount of the award or date of payment(s).
- Contact information for your auditor – auditor's name, email, phone number, and mailing address.

Email the request to neafinance@arts.gov and renh@arts.gov, using the subject line "CPA Audit Confirmation Request." If you have questions call (202) 682-5491. Failure to provide your award number will delay the audit confirmation.

COMMON CHALLENGES

The following are common grants management challenges faced by Arts Endowment recipients. If you have specific questions about an award, please contact us via the award's **Messages Tab**. For general questions, as well as those that may cut across awards, contact us at grants@arts.gov.

11. Cost Share (AKA "Match")

Unless specified in your Official Notice of Action or Terms and Conditions, all Arts Endowment grants require a recipient cost share/match equal to the amount of the Arts Endowment award. In other words, your Arts Endowment grant must be matched 1:1 or "dollar for dollar." For example, if your award is \$10,000 then the total project costs must be at least \$20,000. The GTCs outline allowable match sources. Additionally:

- Cost share/matching funds that support approved and allowable project costs must be documented in your financial systems.
- Cost share/matching resources, whether cash or in-kind, must be available for the approved project during the period of performance.
- All third-party, in-kind contributions used to meet the cost share/match must also have an associated cost in the approved project and be properly documented.
- You do not need to request approval for changes in match sources (e.g., use of donations versus ticket income, or replacement of in-kind contributions with cash match) as long as the sources are allowable and properly documented.

UNALLOWABLE SOURCES OF COST SHARE/MATCHING FUNDS:

You cannot include funds from other federal sources (NEH, USDA, HUD, NSF, etc.) or other Arts Endowment awards as part of your cost share/match, nor can the costs covered by those federal funds be included in financial reports for your award. This includes federal funds that are subgranted by your State Arts Agency or a Regional Arts Organization, as well as federal funds provided to you from other non-federal entities (also known as pass-through funds). See **12. Keeping Track of Multiple Federal Awards** for information regarding the prohibition on overlapping projects costs.

12. Keeping Track of Multiple Federal Awards

There can be no overlapping project costs with other federal awards or their cost share, whether from the Arts Endowment or another federal agency.

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 projects with different expenditures, and you are able to adequately allocate and document charges for each separate award.

- Costs that have been charged to an earlier award cannot be included in the project budget for a subsequent award. For example, if one award is to support a commission of a work and another award is to support its eventual performance and recording, commissioning fees that are included in the budget for the first award cannot be included in the second award.
- A common problem is having staff or contractor salaries or fees charged to more than one award during overlapping periods of time. Ensure the same individual's time is never charged at more than 100% in total during any given time segment.

13. Keeping Up with SAM and UEI

As an applicant for federal funding, you already secured a unique entity identification number (UEI) and registered in **SAM.gov** (the System for Award Management).

The UEI provides basic data about your organization and helps the Arts Endowment verify your eligibility to receive grant funds. We recommend that you register several people from your organization as SAM points of contact and keep the registrations up to date. Too often, people leave an organization and the remaining staff does not have access to update the SAM registration, resulting in missed opportunities to apply for new awards and delays in obtaining award funds.

13.1 System for Award Management (SAM)

SAM.gov is an official website of the U.S. government. There is **no cost** to register with, or update your information on, the site. **It is FREE.** You may receive emails or other notifications from companies offering to register, update, or renew your SAM registration. These companies generally charge a fee for this. Remember, if you directly register, update or renew your information in SAM, it is always FREE.

Your entity must have an active registration in SAM throughout the life of your award, which includes submission of your final reports. Payments cannot be made and we cannot issue new awards if your SAM registration is expired. For help, visit the Federal Service Desk at **fsd.gov** or call 866-606-8220 (Monday - Friday 8 a.m. to 8 p.m. ET).

- There are two steps to the SAM registration process: (1) an individual user registration (creating your own user ID and password for access) and (2) an entity registration. It is the entity registration that must be updated annually. Registration and updating is FREE, and you should only use the official website at SAM.gov to manage your account.
- Creating or updating personal user information such as your password or email address does not update the entity's record.
- View your SAM registration status within **REACH** on your award's homepage by clicking the "View SAM Registration" button next to Notices. You can directly access SAM from your SAM details screen. Alternatively, go to **SAM.gov** and enter your UEI in the search field.

PLEASE NOTE: If you select "NO" under the Review of Representations & Certifications section of the Entity Registration, we may not be able to issue your award or release a payment. This is a REQUIREMENT for receiving federal financial assistance – both grants or cooperative agreements.

- Bank information from SAM is used by the Arts Endowment, our financial partner ESC, and the U.S. Treasury to process payment. Ensure that your bank account information in SAM is up to date. Most organizations will only have one bank account. However, if you have more than one bank account and created an Electronic Funds Transfer (EFT) Indicator code let the NEA know which account to use via the Messaging Tab in REACH.

13.2 SAM and Delinquent Federal Debt

The Arts Endowment cannot issue new awards or release award funds if SAM indicates that your organization has delinquent federal debt subject to offset. Resolving federal debt can take time, so you must address the situation as soon as you become aware of the debt. Follow the instructions on SAM to determine the source of the reported debt.

September 1st is the cut-off date by which applicants who have been recommended for an award must resolve their federal debt status in SAM in order to receive a new Arts Endowment award in that fiscal year.

Notice: Your funding offer will be rejected if SAM shows federal debt on September 1st.

13.3 Changing Your Entity's Address, Contacts, and Legal Name for SAM

If your organization has changed its legal name with the IRS and/or its physical address, you must go to SAM.gov to update your entity's information. The registration/renewal process at SAM requires an entity validation, which means the

system will try to match the data you input with what they have on file. If no match to the new name or address is found, you will be required to submit documentation to prove the accuracy of the information.

Go to <https://sam.gov/content/home> and open the help section of FAQs and instructions.

- The Arts Endowment has read-only access to SAM and cannot retrieve lost passwords or help you update any data.
- Be sure to keep your entity's information updated in SAM, especially your organization's legal name, physical address, points of contact, and their email addresses.

14. Federally-Negotiated Indirect Cost Rate Agreements (2 CFR 200 update per FR 8/13/20)

Most Arts Endowment award recipients do not need a federally-negotiated indirect cost rate agreement (ICRA, also called a Facilities & Administration rate). The process for obtaining a negotiated rate is lengthy. Generally, obtaining an indirect cost rate is more beneficial to entities such as colleges and universities and larger organizations that receive numerous federal awards each year. For more information see the *Indirect Cost Guide* on the Arts Endowment's website.

- 14.1** Including indirect costs in your project budget is never mandatory. If you don't have a federally-negotiated rate, "administrative overhead" is an allowable direct cost item.
- 14.2** *For awards issued on or after November 12, 2020*, an organization that does not have a current negotiated (including provisional) rate may charge a de minimis rate of 10% on modified total direct costs (MTDC) if included in the project budget and approved by the Arts Endowment. For example, if an organization had negotiated an indirect cost rate previously, but the negotiated rates have expired, it has the option to claim the de minimis rate (§200.414 (f)). This de minimis rate may be used indefinitely.
- 14.3** You cannot claim both direct overhead/administrative costs and the de minimis rate, nor direct administrative overhead costs and a negotiated, indirect cost rate.