

NATIONAL ENDOWMENT FOR THE HUMANITIES BUDGET INFORMATION, INSTRUCTIONS, AND FORMS

If you have Adobe Reader 6.0 or higher, you can save the budget form and return to work on it at a later date. The form is now interactive, and will do many of the calculations for you. [Go to the Budget Form \(14-page PDF\)](#).

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.

- If your grant period is no more than 18 months, fill out pages 1-4 of the budget form. Your totals for each section should automatically appear in the first column of Section B, "Summary Budget," that begins on page 13. Fill in the "Project Funding for Entire Grant Period" area at the bottom of Section B.
- If your grant period lasts longer than 18 months, fill out a budget for each 12-month period. The budget form contains space for three years (pp. 1-4, pp. 5-8, and pp. 9-12). Your totals for each section will appear in the columns of Section B, "Summary Budget," that begins on page 13. Fill in the "Project Funding for Entire Grant Period" area of Section B.
- If your proposed grant period exceeds 36 months, please consult NEH program staff and/or the NEH Office of Grant Management to discuss alternatives.

Please note: Enter only numerals in the form, not commas or decimal points. The fields in the "Summary Budget" part of Section B are populated by the totals from the various parts of Section A. Do not enter data in these fields.

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 also 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 applicant and 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_fund.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	