



PARTNERSHIP AGREEMENTS

BUDGET INSTRUCTIONS FOR OFFERS AND AWARDS

Please review the *General Terms and Conditions for Partnership Agreements*, which incorporates 2 CFR (Title 2. Subtitle A. Chapter 1. Parts 25, 170, 175, 180, 182, 183, 184, and Chapter 2. Part 200). While our *General Terms* provides a summary of requirements, it is your responsibility to review the source documents directly.

PROJECT BUDGET FORM

You must use the **Project Budget Form** available on the NEA website at <https://www.arts.gov/grants/manage-your-award>.

You are encouraged to keep your project budget as simple as possible with allowable, allocable, and reasonable costs that are easy to document. You must maintain source documentation of all costs charged to your NEA award whether they are paid for with NEA funds or the required cost share.

All activities supported under this award must be related to your State or Regional Arts Plan that was approved with your application for the award. Notice: funds from previous NEA Partnership awards cannot be "rolled over" for future use.

BUDGET INFORMATION

For the purpose of this budget, show only the required 1:1 cost share. Many SAAs and RAOs can and do exceed the required cost share with their estimated costs, but to streamline review of your application, limit the cost share to the required 1:1 for this budget. For example, for a \$500,000 award, you need to show a total project cost of \$1,000,000.

If the required cost share is less than 1:1, it will be indicated on the offer documents (or conveyed to you separately) and, once awarded, on the *Terms and Conditions* and the *Notice of Action* for awards.

All costs—whether paid for with NEA funds or the required cost share—included in this budget (and on subsequent payment requests and financial reports for this award) must be allowable per the *General Terms and Conditions for Partnership Agreements* applicable to your award, the Partnership Guidelines, and 2 CFR 200.

- This budget cannot include overlapping project costs with any other federal award, including previous years' Partnership Agreement grants or other NEA grants or cooperative agreements.
- All costs included in this budget must be incurred within the allowable period of performance. For awards issued in FY 2025 and later, you may include administrative closeout costs.
- The budget form automatically rounds off to whole dollars.
- Describe similar costs on a single line if necessary due to space constraints.

INSTRUCTIONS

ORGANIZATION

Enter your SAA's or RAO's legal 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 offered application number (for offers) or award number (for budget amendments to awards).

DATE

Enter the date your authorizing official approved this budget.

PERIOD OF PERFORMANCE REQUESTED

For funding offers, enter the start and end date of your requested period of performance. For open awards, enter the current period of performance or update the dates if you are also requesting a period of performance amendment.

The period of performance must reflect the time necessary to plan, execute, and close out your approved activities. In addition, the period of performance must include sufficient time to award and close out all subawards made with NEA funds and/or the required cost share under this Partnership Agreement grant.

- All costs in this budget must be incurred within the period of performance, with the exception of allowable administrative closeout costs for NEA awards issued in FY 2025 and later. (See GTCs for more information.)
- The earliest allowable start date is **July 1** of the federal fiscal year of your award.
- Periods of performance must start on the first of the month and end on the last day of the month.

You may request a period of performance that differs from the one included on your Grants.gov application form (SF-424) if it better aligns with your agency's or organization's work and meets the above criteria.

PROJECT DESCRIPTION

For funding offers, enter the date you will **begin making subawards** with NEA funds or cost share funds for this award (if applicable). This information will help the NEA expedite processing of applications for DATA Act compliance and for your required Federal Funding Accountability and Transparency Act (FFATA) subaward reporting in SAM.gov. See the FFATA FAQs at <https://www.arts.gov/grants/manage-your-award>.

Next, include a brief description of the activities associated with the costs included in this budget.

PARTICIPANTS

This section gives you the opportunity to add or change the "participants" on the offer or award. Consider who will need to have access to the [REACH](#) system to manage the application and award, and submit payments, reports, or updates. You must ensure this information is accurate and that it is done separately for each annual Partnership Agreement grant as "participation" in a previous award does not carry over to subsequent awards.

Provide the following information:

- **Authorizing Official**
Enter the full name and contact information for the person who has the legal authority to obligate your organization and approve this budget on behalf of your organization.

- **Project Director**

Enter the full name and contact information for the person in charge of administering your Partnership Agreement.

- **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

The PROJECT COSTS section of the project budget form must show how the combined NEA funds and your cost share funds will be allocated.

A. DIRECT COSTS

Direct costs are those that are directly allocable to the approved Partnership Agreement activities that will be paid for with NEA funds or the cost share funds for this award and that will be incurred during the period of performance. (FY 2025 and later: you may also include administrative closeout costs here.) All costs included in this budget must also be allowable per 2 CFR 200 Subpart E, the Partnership Guidelines, and the *General Terms and Conditions for Partnership Agreements* applicable to your award.

DIRECT COSTS: SALARIES AND WAGES

List compensation for personnel, both administrative and artistic (if applicable), paid on a salary basis. These people usually receive a W-2.

Do not include fees for contractual personnel/consultants or compensation for artists paid on a fee basis (these people usually receive a 1099 form) in this section; list them under **Direct Costs: Other Costs**.

Indicate the title and/or type of personnel, the number of personnel, the annual or average salary range, and the percentage of time allocated to your Partnership Agreement grant annually. Salaries/wages/fringe should be pro-rated to reflect only those costs incurred within the period of performance.

Example:

<i>Title and/or type of personnel</i>	<i>Number of Personnel</i>	<i>Annual or average salary range</i>	<i>% of time devoted to this project</i>	<i>Amount</i>
Executive Director	1	\$120,000	10%	\$12,000
Program Directors	2	\$70,000	50%	\$70,000
Education/Outreach	5	\$25,000 - \$50,000	20-30%	\$75,000

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 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.

For RAOs Only:

Per 2 CFR 200.442(a), only costs for fundraising activities necessary to meet the federal award objectives are allowable. You may include pro-rated salaries for personnel who undertake fundraising activity if their work is directly allocable to approved Partnership Agreement activity. This could include time spent managing this award or raising the required minimum cost share.

DIRECT COSTS: TRAVEL

All travel costs must be estimated according to your organization's established written travel policies and must relate to the approved activity outlined in your approved strategic plan/application.

Airfare costs charged to the award may not exceed the cost of the least expensive class (e.g., coach) available. Include subsistence costs (e.g., hotels, meals) as part of the amount listed for each trip, as appropriate.

Foreign/International Travel.

If you are including foreign/international travel in this budget, you must specify the country of origin and destination and conform to government regulations, including those of the U.S. Treasury Department's Office of Foreign Asset Control and the Fly America Act. See the *General Terms and Conditions for Partnership Agreements* applicable to your award for additional information.

Indicate travel costs according to the example below. Unless travel is to foreign countries, you do not need to specify destinations; simply indicate whether travel is within your state or out of state. List all trips – both foreign and domestic – individually.

Example:

<i>Travelers</i>	<i>Origin</i>	<i>Destination</i>	<i>Amount</i>
10	In State (various)	In State (various)	\$6,000
4	Out of State (Domestic)	State Capital	\$4,000
1	France	State Capital	\$2,000

DIRECT COSTS: OTHER COSTS

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

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

12. Copying,
13. 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. All costs in the budget—whether funded with NEA funds or your required cost share—must be allowable. See [2 CFR 200 Subpart E](#), the Partnership Guidelines, and the *General Terms and Conditions for Partnership Agreements* applicable to your award for more information.

The following costs are **unallowable** and may **not** be supported with federal or cost share funds for your Partnership Agreement grant. This list is not exhaustive.

1. Alcoholic beverages or events where alcohol is served (social activities).
2. Audit costs that are not directly allocable to a federally required Single Audit.
3. Cash reserves or endowments.
4. Concessions/for-profit activity including food, beverages, T-shirts, posters, art, and other items for resale (retail activities). This includes costs for retail workers.
5. Contingencies, miscellaneous, or “other” unidentified costs.
6. Contributions or donations to other entities.
7. Costs incurred before or after the approved period of performance. ***This includes subgranting activity.***
8. Fines and penalties, bad debt costs, or deficit reduction.
9. General fundraising for your organization.
10. Gifts and prizes. This includes cash prizes, gift certificates/gift cards, or any other cash equivalents with monetary value.
11. 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.
12. Land purchase costs, construction, or renovation of building structures.
13. Lobbying.
14. Marketing expenses that are not related to the project.
15. Rental costs for home office workspace owned by individuals or entities affiliated with your organization.
16. **Subawards for unrestricted general operating support**; all subaward programs included in this budget must be for documented allowable expenses in compliance with federal cost principles, the Partnership Guidelines, and the *General Terms and Conditions* for your award.
17. Vehicle purchase costs.
18. Visa costs paid to the U.S. government.

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

For additional guidance on allowable and unallowable costs, see **2 CFR Part 200 Subpart E - Cost Principles** and the relevant guidelines or program solicitation.

Subawards.

Any subawards included in this budget must be made in accordance with the requirements of 2 CFR 200.332 and the *General Terms and Conditions* applicable to your award. This includes specific requirements regarding applicant eligibility, required review criteria, award notice requirements, subrecipient monitoring and closeout, and other national policy requirements. Review 2 CFR 200 and the *General Terms and Conditions for Partnership Agreements* applicable to your award for more details.

For SAAs/RAOs: Include the following information for any **Subgranting Program** that will be funded with NEA funds and/or the required cost share:

1. Name of the subgranting program(s), AND
2. Type of recipient (organization/individuals/both), AND
3. The funding source: NEA funds, the required cost share, or a combination of both types of funding.

For SAAs only: if your budget includes subawards for **General Operating Support** (GOS), you must include the following:

1. How the GOS subawards are connected to the NEA approved strategic plan applicable to this award.
2. The programmatic goals for the GOS subawards.
3. A list of allowable and unallowable costs for the GOS subawards.

Include the subgranting program details in the line-item section of your project costs. If the length of your description is longer than what will fit here, add an attachment or use the "Project Description" field.

The subgranting programs included in your approved budget are the only ones approved for the use of NEA funds and the required cost share. After an award is issued, you must request an amendment if you want to add additional subgranting programs to your award.

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 State's or 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 this form or in an attachment.

- For FY 2025 and later awards: The threshold is \$10,000.
- For FY 2024 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 SAAs

For units of state government, follow the same procurement policies and procedures you use for non-federal Funds ([2 CFR 200.317](#)).

For RAOs and Non-profits

For non-profits, all acquisitions must be carried out in accordance with your organization's written established procurement policies, which must be consistent with [2 CFR 200.318 - 200.327](#).

Example:

Creativity Grants, subgrants to nonprofit organizations (NEA funds and State Cost Share)	\$200,000
Contractual Services (web design, marketing)	\$35,000
Administration (% of rent, supplies, communications)	\$50,000
Equipment (purchase of high-def audio/visual system for state-wide webcasts) – separate components of no more than \$3,500 per unit that total =	\$7,500
ADA/Section 504 Accommodations	\$10,000

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

B. INDIRECT COSTS

Indirect costs are overhead or administrative expenses not readily identifiable with fulfilling the Partnership Agreement grant. The costs of operating and maintaining facilities and equipment, depreciation or use allowances, and administrative salaries and supplies are typical examples of indirect costs. If you use your **federally negotiated indirect cost rate**, you must submit a copy of the negotiated indirect cost agreement.

You are not required to have a federal indirect cost rate agreement 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.

De Minimis Indirect Cost Rate

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) which may be used indefinitely. For more information, see [2 CFR 200.414\(f\)](#). See the General Terms and Conditions for the definition of MTDC for the fiscal year of your award. On the budget form check the box next to “de minimis.”

- For FY 2025 and later awards: The de minimis rate is 15%.
- For FY 2024 and earlier awards: The de minimis rate is 10%.

Statewide Cost Allocation Plan (SWCAP)

SAAAs may include costs required under a Statewide Cost Allocation Plan (SWCAP) as indirect costs. However, you must provide a copy of the allocation plan and details on how the SWCAP amount was calculated along with this budget.

See **APPENDIX A – Sample Federally Negotiated Indirect Cost Rate Agreement**, for guidance on reading an indirect cost rate agreement.

TOTAL INDIRECT COSTS

TOTAL DIRECT COSTS + INDIRECT COSTS = TOTAL PROJECT COSTS

Total project costs should equal your total project income (see below).

PROJECT INCOME

COST SHARE REQUIREMENT.

The total cost share for the Partnership Agreement grant, in general, must be equal to the NEA's offered funding amount.

If your offer includes any funds that do not require a cost share, you should only show a project income amount equal to your required cost share.

In general, your cost share may be all cash or a combination of cash and in-kind contributions as detailed below. Do not include any other NEA or other federal funds in your cost share.

ORGANIZATION SHARE: CASH

List cash contributions (including items or services provided by the applicant organization), appropriated funds, grants, and/or other revenues expected or received for the Partnership Agreement.

FOR SAAs

You must only show state appropriated funds as your cost share for the NEA funds. The NEA's legislative requirements for cost share state that *"The non-federal funds required...to pay 50 percent of the cost of a program or production shall be provided from funds directly controlled and appropriated by the State involved and directly managed by the State agency of such State."*

FOR RAOs

Cost share must be allowable per the *General Terms and Conditions for Partnership Agreements* applicable to your award.

1. You may use subrecipient cost share to meet the required federal cost share for this award only as a 1:1 match for the federal dollars included as subawards in this budget. This must be shown as cash cost share, not as an in-kind contribution.
2. You must meet the remainder of the required cost share for this award (if applicable) with other non-federal funds. **Subrecipient cost share cannot be used as cost share for any other costs in this budget.**
3. You must notify subrecipients at the time of award that the subrecipient's cost share will be used as cost share for this federal award.
4. You must notify subrecipients that they must permit you and your financial auditors access to their records and financial statements as necessary to ensure compliance with the federal award requirements.
5. All subrecipient costs used as cost share for this federal award must be identified in the subaward's final financial reports and must be allowable, reasonable, and allocable in compliance with 2 CFR 200 and the *General Terms and Conditions* for the federal award.

FOR NASAA

All cost share must be allowable per the *General Terms and Conditions for Grants and Cooperative Agreements to Organizations*.

THIRD-PARTY IN-KIND CONTRIBUTIONS

FOR SAAs

In-kind cost share cannot be used to meet the minimum cost share requirement for your award. Leave this section blank.

FOR RAOs/NASAA

List goods or services donated by third-party individuals/entities outside your organization. In-kind donations may include donated space, supplies, and/or volunteer services – i.e., goods and services that are donated by individuals or organizations other than the applicant.

To qualify as cost share resources, these same items also must be listed under direct costs. The dollar value of these non-cash donations should be calculated at their verifiable fair-market value. Identify sources. Proper documentation must be maintained for all items noted as "in-kind." For more information, see the *General Terms and Conditions* applicable to your award.

Any in-kind cost share included in this approved budget must adhere to 2 CFR 200 requirements for the use and documentation of third-party in-kind contributions.

TOTAL CASH + TOTAL IN-KIND = TOTAL RECIPIENT SHARE FOR THIS PROJECT
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Enter the total amount of funding offered or awarded = NEA AMOUNT
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TOTAL RECIPIENT SHARE + NEA AMOUNT = TOTAL PROJECT INCOME
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APPENDIX A – 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 federal 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.