

FROM THE DESK OF

FREDERICK S. HUMPHRIES

Dan Turner.

1. I have send in  
all the required forms  
to NEA.

2. I have requested  
\$ money (\$ 500)

Attached

a) material send to NEA

b) Fiscal report form

c) Grants manual.

4/1/70

NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

GENERAL GRANT PROVISIONS

4/1/70

GENERAL GRANT PROVISIONS

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## NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

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GENERAL GRANT PROVISIONS

The following General Provisions, in addition to any special conditions incorporated in the grant award letter, are applicable to and binding upon all recipients of grants from the Endowments of the Foundation. Grantees should understand that acceptance of an award creates a legal duty on the part of the grantee to use the funds in accordance with the terms of the grant, to comply fully with all provisions and conditions, and to assure similar compliance by any sub-grantee or other party.

1. Tax-Exempt Status

- a. (This Provision applies only to grants of the National Endowment for the Arts.)

The National Endowment for the Arts requires that its grants to organizations, institutions, or groups may only be made to those which are non-profit and to which donations are allowable as a charitable contribution under Section 170(c) of the Internal Revenue Code. (This requirement does not apply to individual awards.) It is, therefore, the responsibility of the grantee to promptly notify the Endowment of any changes from its nonprofit, tax-exempt status.

- b. (This Provision applies only to grants of the National Endowment for the Humanities.)

The National Endowment for the Humanities is authorized to make grants to "groups," and the National Foundation on the Arts and the Humanities Act of 1965 defines a "group" as including "any State or other public agency, and any nonprofit society, institution, organization, association, museum, or establishment in the United States, whether or not incorporated." By accepting this grant (unless it is a grant to an individual) the recipient warrants itself to be a "group" qualified under the above definition. It is the responsibility of the grantee to promptly notify the National Endowment for the Humanities of any changes from this status.

2. Civil Rights

Title VI of The Civil Rights Act of 1964 provides that:

"No person in the United States shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance." (Section 601)



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2. Civil Rights - cont.

All grants are subject to review to determine whether grantees are meeting the requirements of Title VI and are eligible to continue to receive such Federal assistance.

3. Cash Requests

It is the responsibility of the grantee to assure that payments requested from the Endowment are not in excess of reasonably anticipated needs. Payments may be requested at any time. In no event, however, may an advance payment be requested in an amount exceeding that which is required for a three-month period. In the case of grants for \$100,000 or more, the amount requested may not exceed that required for a thirty-day period.

Each payment request must be submitted on the appropriate form. At least fifteen days should be allowed to assure the receipt of funds prior to need.

4. Limitations on the Use of Grant Funds

- a. Grant funds may be expended only for project purposes and activities set forth in the budget as originally approved or subsequently amended.
- b. Proposed amendments must be submitted by the grantee's authorizing official for written approval from the Endowment. Significant changes requiring such action include:
  - (1) Changes of project scope, purpose and/or activities.
  - (2) Changes in the project director or other key professional personnel identified in the approved application.
  - (3) Changes in the project budget which exceed twenty percent in any budget line item, or \$1,000, whichever is the greater, or which introduce or eliminate types or categories of expenditures.
  - (4) Changes in duration of the grant period. (Changes should be requested at least 30 days prior to the termination of the grant period.)
  - (5) Decreases in the level of grant matching.
  - (6) Decreases in the level of cost-sharing.

#### 4. Limitations on the Use of Grant Funds - cont.

- c. Commitment of grant funds, and of such matching funds or cost-sharing funds as are required, must be incurred during the grant period. Commitments (purchase orders, contracts, etc.) outstanding as of the official termination date shall be liquidated within 90 days after the termination of the grant period. Such commitments must relate to goods or services provided and utilized within the grant period.
- d. The Endowment has a reversionary interest in all funds or property acquired with funds which are determined to have been improperly applied. Funds remaining uncommitted at the termination of the grant period must be returned with the final financial report by check payable to "National Endowment for the Arts" or "National Endowment for the Humanities," whichever is applicable. In those unusual circumstances when interest accrues on Federal funds, the interest must be remitted to the Endowment during the grant period or with the final financial report. A check for such interest should be made payable to "U. S. Treasury."

#### 5. Project Income

All income earned by the grantee with respect to grant funds or as a result of the conduct of the grant project (sale of publications, registration fees, service charges or fees, etc.) must be accounted for and reported to the Endowment.

#### 6. Cost Principles

Only those costs set forth on the approved project budget are allowable. The Endowment has assumed an attitude with respect to certain items of cost. The following list of such special items is not intended to be a comprehensive statement of all non-allowable costs. In the event of a conflict between the general standard below and any special provisions in the grant letter, the special provisions should govern.

- a. Subsistence Costs. Generally, subsistence costs may not exceed \$25.00 per day. However, with Endowment approval, subsistence in connection with project travel may be estimated in accordance with the established (written) travel reimbursement policies as applied to all business and activities of the applicant organization. If other methods, such as reimbursement for actual cost, are desired, applicant must obtain prior written approval of the Endowment; and supporting material must be retained and available for audit.



6. Cost Principles - cont.

- b. Transportation Costs. Wherever possible, less than first class accommodations should be used for air or rail travel. If first class accommodations are used, records should contain a certification that less than first class accommodations were not available. When necessary, travel by other than the above modes may be authorized. U. S. flag carriers must be used on any foreign travel except where U. S. flag service is not available.
- c. Capital Items. Capital items include land, buildings, automotive equipment, office equipment, etc. The purchase of any capital item with grant funds requires prior written approval of the appropriate Endowment.
- d. Entertainment. Costs incurred for amusement, social activities, entertainment, and any items relating thereto, such as meals, lodging, rentals, transportation, and gratuities are unallowable.

7. Grant Accounting, Records and Reports

- a. The grantee shall maintain records and accounts consistent with generally accepted accounting principles and also shall provide for such fiscal control and fund accounting procedures as are necessary to assure proper disbursement of and an accounting for grant project funds. Accounts and supporting documentation relating to project expenditures shall be adequate to permit an accurate and expeditious audit. Item 12 in the Guidelines outlines the requirements of the Endowments with respect to grant accounting and records. The Endowment must be notified promptly if you are unable to comply with these requirements.
- b. In the case of grants requiring grantee contributions (matching, cost-share, etc.) the grantee shall maintain records to demonstrate that such contributions are not less than the amount proposed in the application or any subsequent revision thereof. The amount of grantee contribution is subject to audit.
- c. Grantees will submit a quarterly (or more often, if required) report of expenditures and such other financial reports and descriptive reports as the appropriate Endowment may require. In all cases grantee is required to submit, within 90 days after the termination of the grant period (1) a final financial report on the appropriate form and (2) a descriptive report stating what was accomplished with the support.
- d. The grantee should furnish a copy of all annual financial statements at its first fiscal year end following the award of a grant and each year end thereafter until the termination of the grant period.

- e. It is also the responsibility of the principal grantee to obtain from any sub-grantee or other party to whom funds are provided by the principal grantee under this grant sufficiently valid documentation (e.g., payroll, vouchers, invoices, bills) covering receipt and expenditure of grant and matching funds for which the principal grantee is held responsible. This requirement also includes the right of the Federal Government to make an audit of the third party's accounts related to the grant. The principal grantee is responsible for all financial accounting matters relating to this grant and must determine that any sub-grantee or other party to whom grant funds are provided is using an accounting system which meets the criteria of this Section 7. The principal grantee is responsible for providing a copy of the above regulations to any sub-grantee or other party.
- f. In-Kind Contributions. Maintenance of some objective evidence of in-kind contributions as to both type and value. When the contribution is made by a third party, written evidence from the third party is required as to both type and value.
- g. The Endowment may inspect and audit the grantee's financial accounts and records, or may designate a qualified person to do so on its behalf, at any time during reasonable business hours and with such frequency as may be deemed necessary. Inspection and audit may include predisbursement visits to determine the adequacy of the grantee's accounting system. In addition, the United States General Accounting Office may conduct inspections and audits when and to the extent deemed advisable.

Financial records must be kept on file for a minimum of three years following the termination of the grant period. The required retention period may be extended by written notification from the Foundation.

#### 8. Equipment and Title to Property

Title to equipment purchased with Federal funds will be vested in the grantee organization, subject to the condition that the grantee continues to use the equipment for the purposes of activities in the arts or humanities, and subject to the Endowment's right to request title and possession (to the extent of its contribution toward the purchase price) within 120 days following the close of the grant period.

#### 9. Collection of Information

The grantee collects information from the public in connection with a research or other general-purpose project on his own initiative. He must not, without prior approval from the grantor, in any way, represent that the information is being collected by or for a Federal agency.



10. Printing and Duplicating

Grant funds shall not be used for printing or for the duplication of large numbers of copies of material unless specifically authorized by the grant letter.

11. Publication and Acknowledgment of Endowment Funds

- a. The grantee may publish, without charge to grant funds, the results of grant activity provided that such publications (written, visual, or sound) contain an acknowledgment of Endowment grant support. Publications must include in an appropriate place the statement that "The findings, conclusions, etc. do not necessarily represent the view of the Endowment." At least three copies of such publications must be furnished to the appropriate Endowment.
- b. Any tangible result of grant activity (productions, displays, exhibits, etc.) must bear an acknowledgment of Endowment support.

12. Copyright

The government reserves a non-exclusive license to use and reproduce for government purposes, without payment, any publishable matter, including copyrighted matter, arising out of grant activities.

13. Fair Labor Standards (This section applies only to grants of the National Endowment for the Arts.)

Where appropriate, the grantee will furnish adequate assurances as to labor standards by signing DL Form 1-297 and returning it to the Endowment.

- a. All professional performers and related or supporting professional personnel employed on projects or productions which are financed in whole or in part under the grant will be paid, without subsequent deduction or rebate on any account, not less than the minimum compensation as determined by the Secretary of Labor to be the prevailing minimum compensation for persons employed in similar activities.
- b. No part of any project or production which is financed in whole or in part under the grant will be performed or engaged in under working conditions which are unsanitary or hazardous or dangerous to the health and safety of the employees engaged in such project or production. Compliance with the safety and sanitary laws of the State in which the performance or part thereof is to take place shall be prima facie evidence of compliance.

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14. Termination of Grants

The Endowment may, at its discretion and at any time, terminate on 30 days written notice any grant, in whole or in part, after consultation with the grantee. Such termination shall not affect any commitment which, in the judgment of the Endowment, had become firm prior to the effective date of the termination. The grantee agrees to furnish the Endowment, within 60 days of the date of termination, an itemized accounting of funds expended, obligated and remaining under the grant. The grantee also agrees to remit within 30 days of the receipt of a written request therefor any amount found due.