



General Terms and Conditions for General Operating  
Support Grants to State and Jurisdictional  
Humanities Councils

(For awards issued October 1, 2024, or later)

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# Introduction

The *General Terms and Conditions for General Operating Support Grants to State and Jurisdictional Humanities Councils* (referred to as *General Terms and Conditions* throughout this document) apply to the General Operating Support grants (SO) that the National Endowment for the Humanities (NEH) issues to state and jurisdictional humanities councils (SHC). These terms and conditions apply to SHCs unless specified otherwise in regulation or the terms and conditions of the specific NEH award.

This document is organized into 14 sections and an appendix and covers topics such as roles and responsibilities of NEH and recipients, national policy requirements, allowable project costs, project changes, reporting requirements, closeout activities, and audits. Appendix A: Guidance for Awarding, Monitoring, and Reporting SO Subawards provides SHCs a roadmap for complying with the requirements for pass-through entities, as specified in [2 CFR Part 200](#) and the terms and conditions of the award.

In addition to adhering to these terms and conditions, SHCs are responsible for abiding by NEH's general policies available in the "General Policies" section of the [Grants Management Policy and Guidance for Awards to Organizations](#) webpage.

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# I. Applicability and Authorization

NEH awards to SHCs are subject to the National Foundation on the Arts and the Humanities Act of 1965 ([P.L. 89-209, as amended; 20 U.S.C. § 956, et seq.](#)), [2 CFR Part 200](#)—Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and the award-specific terms and conditions, as well as any specific remarks included in the Notice of Action. If there is an inconsistency between the award-specific terms and conditions and the General Terms and Conditions, the award-specific terms and conditions will govern.

Note, if NEH awards a grant or cooperative agreement to an SHC under a different NEH program, it is a separate award and will be subject to the terms and conditions governing that program.

When an SHC accepts an SO award, it assumes the legal, financial, and programmatic responsibility of administering the award in accordance with the requirements set out in these General Terms and Conditions, as well as responsibility for full compliance with the award-specific terms and conditions and any specific remarks included in the Notice of Action. SHCs must maintain documentation of all actions, expenditures, subawards, and fellowships administered during the award's period of performance, subject to audit. Failure to comply with these requirements could result in suspension or termination of the award and NEH's recovery of award funds.

## A. Eligibility

Independent, nonprofit 501(c)(3) SHCs listed on the [NEH State Humanities Council webpage](#) with currently approved compliance plans are eligible to receive an SO award from NEH.

## B. General operating support grants period of performance and funding periods

The period of performance for SO awards is five years, divided into two parts. In the first part, NEH obligates annual general operating support through three one-year funding periods (November 1-October 31). SHCs must apply for this funding each year. During the final two years of the period of performance, NEH does not obligate new funding. SHCs may use this time to close out competitive grants (subawards and fellowships), fundraise, and expend remaining funds on allowable activities.

SHCs may carry forward unobligated funds from one year into the succeeding year during the period of performance but they must obligate SO award funds during the five-year period of performance. SHCs must liquidate all obligations within 120 days after the conclusion of the period of performance.

Because the period of performance for a new SO award overlaps with that of a previous SO award, SHCs must ensure that allowable costs (including federal matching funds and non-federal cost share) are allocated to the correct award and tracked in accordance with generally accepted accounting principles. SHCs must not incur costs outside the period of performance or for activities completed on another award (including another SO award). Reference [Section VI](#) for additional information.

# II. Glossary of Terms and Definitions

See [2 CFR Part 200, Subpart A](#) for a comprehensive list of definitions.



<b>Allocable costs</b>	Per <a href="#">2 CFR § 200.405</a> , a cost is allocable to a particular federal award or other cost objective if the cost is assignable to that federal award or other cost objective in accordance with the relative benefits received.
<b>Allowable costs</b>	Allowable costs are consistent with the general criteria under <a href="#">2 CFR § 200.403</a> and the terms and conditions of an award.
<b>Assistance Listings</b>	Refers to the publicly available listing of federal assistance programs managed and administered by the General Service Administration (GSA) at <a href="#">SAM.gov</a> . Each opportunity is given a unique Assistance Listing number. The Assistance Listing number for the SO program is 45.129.
<b>Award</b>	Federal funds issued under a grant, cooperative agreement, or individual fellowship.
<b>Cash contributions</b>	The SHC or third-party cash outlay for budgeted project activities. Cash contributions may come from the SHC's or subrecipient's own funds; contributions from other public agencies and institutions, private organizations, and individuals; and/or financial assistance from other federal agencies.
<b>Contract</b>	A legal instrument by which an SHC or subrecipient conducts procurement transactions or obtains tangible personal property, supplies, equipment, or services needed to carry out the project or program under a federal award. Additional information on subrecipient and contractor determinations is available at <a href="#">2 CFR § 200.331</a> . See also the definition of <i>subaward</i> in this section.
<b>Consultant</b>	An individual or company retained to provide professional advice or services on a project for a fee. Consultants are typically paid for their time at a daily or hourly fixed rate. Additional information on subrecipient and contractor determinations is available at <a href="#">2 CFR § 200.331</a> . See also the definition of <i>subaward</i> in this section.
<b>Cooperative agreement</b>	Per <a href="#">2 CFR § 200.1</a> , a legal instrument of financial assistance between a federal awarding agency and a recipient or between a pass-through entity and a subrecipient that, consistent with <a href="#">31 U.S.C. 6302-6305</a> : <ol style="list-style-type: none"> <li>1. Is used to enter into a relationship the principal purpose of which is to transfer anything of value to carry out a public purpose authorized by a law of the United States (see <a href="#">31 U.S.C. 6101(3)</a>); and not to acquire property or services for the federal government or pass-through entity's direct benefit or use;</li> </ol>

	<p>2. Is distinguished from a grant in that it provides for substantial involvement of the federal awarding agency in carrying out the activity contemplated by the federal award.</p>
<b>Cost sharing</b>	<p>The portion of the costs of a project or program not charged to NEH's federal share of SO funds. This would include cash contributions (as defined above) as well as the value of third-party in-kind contributions.</p> <p><b>The SO program requires a 1:1 cost share.</b> The cost share must be met and expended on budgeted project costs by the conclusion of the period of performance.</p>
<b>Debarment</b>	<p>The ineligibility of an individual or entity to receive assistance or benefits from the federal government, either indefinitely or for a specified period of time, based on legal proceedings taken pursuant to regulations contained at <a href="#">2 CFR Part 180</a>—OMB Guidelines to Agencies on Government-Wide Debarment and Suspension (Nonprocurement) and <a href="#">2 CFR Part 3369</a>—Nonprocurement Debarment and Suspension.</p>
<b>eGMS Reach</b>	<p>NEH's online electronic grant management system, located at <a href="https://reach.neh.gov">https://reach.neh.gov</a>.</p>
<b>Equipment</b>	<p>Tangible personal property having a useful life of more than one year and an acquisition cost of \$10,000 or more per unit, as defined in <a href="#">2 CFR § 200.1</a>.</p>
<b>Federal matching funds</b>	<p>Optional federal matching funds may be offered to SHCs with the balance of each year's funding period award. SHCs are not required to accept federal matching funds.</p> <p>Unlike in cost sharing, SHCs must certify and submit gifts by the annual deadline identified in the Notice of Award in order to receive federal matching funds.</p>
<b>Fellowships</b>	<p>Competitive regrant awards issued to individuals pursuing humanities projects. A fellowship is a distinct funding mechanism; it is not a grant or cooperative agreement (which are issued to organizations), or a contract or consultancy issued under other SO functional areas.</p>
<b>Funding period</b>	<p>Each year in which annual funding is obligated under a SO award. There are three funding periods within an SO award's five-year period of performance.</p>

<b>Functional areas</b>	Types of distinct allowable activities under an SO award: <ol style="list-style-type: none"> <li>1. general management;</li> <li>2. council-conducted projects, program services, and public meetings;</li> <li>3. fundraising; and</li> <li>4. regrants (subawards and fellowships).</li> </ol>
<b>General management costs</b>	The functional area under the SO award for an SHC's day-to-day operations. General management costs include expenditures for organizational administration, such as administrative costs for subaward programs (e.g., subrecipient monitoring, site visits, grant administration, and reporting) and financial management. All costs must be allowable per <a href="#">2 CFR § 200.403</a> .
<b>Grant</b>	Per <a href="#">2 CFR § 200.1</a> , a legal instrument of financial assistance between a federal agency and a recipient or between a pass-through entity and a subrecipient that, consistent with <a href="#">31 U.S.C. 6302, 6304</a> : <p>(1) Is used to enter into a relationship the principal purpose of which is to transfer anything of value to carry out a public purpose authorized by a law of the United States (see <a href="#">31 U.S.C. 6101(3)</a>); and not to acquire property or services for the federal agency or pass-through entity's direct benefit or use;</p> <p>(2) Is distinguished from a cooperative agreement in that it does not provide for substantial involvement of the federal agency in carrying out the activity contemplated by the federal award.</p>
<b>Indirect costs</b>	Costs that are incurred for common or joint objectives and therefore cannot be readily identified with a specific project or activity of an organization, including but not limited to depreciation on buildings, equipment, and capital improvement; operations and maintenance expenses; accounting and legal services; and salaries of executive officers. <b>Only subrecipients may claim indirect costs or use unrecovered indirect costs for cost sharing or match in this program.</b>
<b>In-kind contributions</b>	The value of non-cash contributions provided by third parties. In-kind contributions may be in the form of use of real property and equipment or the value of goods and services directly benefiting and specifically identifiable to the funded project.
<b>Key personnel</b>	The project director (PD) and institutional grant administrator (IGA), as well as other individuals critical to the project.
<b>Notice of Action</b>	The official, legally binding document notifying the SHC of an award action, such as an issuance of a federal award or amendment.

<p><b>Pass-through entity</b></p>	<p>Per <a href="#">2 CFR § 200.1</a>, a recipient or subrecipient that provides a subaward to a subrecipient to carry out part of a federal program.</p> <p>When an SHC provides a subaward to a subrecipient to carry out part of a federal program, the SHC is considered a pass-through entity.</p>
<p><b>Period of performance</b></p>	<p>Per <a href="#">2 CFR § 200.1</a>, the time interval between the start and end date of a federal award, during which the SHC may incur new obligations and carry out the work under an SO award. SO awards have a five-year period of performance.</p> <p>For subrecipients: the time during which the subrecipient may incur new obligations and carry out the work authorized by the SHC under the subaward. The subaward period of performance must fall within the SO period of performance.</p>
<p><b>Program income</b></p>	<p>Gross income earned by the SHC or a subrecipient that is directly generated by NEH-funded activities or earned as a result of the NEH award during the period of performance. It includes, but is not limited to, income from fees for services performed and from the sale of items produced under an award; usage or rental fees for equipment or property acquired under an award; admission fees; broadcast or distribution rights; and license fees and royalties on patents and copyrights. It does not include rebates, credits, discounts, and interest earned on any of them. See <a href="#">2 CFR § 200.307</a>.</p>
<p><b>Project costs</b></p>	<p>The total costs needed to complete the project that NEH approves at the time of award or through subsequent amendments. This includes both federal funds and non-federal cost share or matching funds that the SHC or third parties contribute.</p>
<p><b>Reasonable costs</b></p>	<p>Per <a href="#">2 CFR § 200.404</a>, a cost is reasonable if it does not exceed an amount that a prudent person would incur under the circumstances prevailing when the decision was made to incur the cost.</p>
<p><b>Recipient</b></p>	<p>The SHC that receives an SO award from NEH and that is accountable for the use of the funds provided.</p>
<p><b>Regrant</b></p>	<p>A functional area under the SO award that allows the SHC to competitively award subawards to organizations and fellowships to individuals.</p>
<p><b>State</b></p>	<p>Any of the states of the United States and the District of Columbia, including the following jurisdictions, unless otherwise indicated: the Commonwealth of Puerto Rico, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and the Virgin Islands.</p>

<b>Simplified Acquisition Threshold</b>	The dollar amount below which SHCs and subrecipients may purchase property or services using small purchase methods. The simplified acquisition threshold is found in the Federal Acquisition Regulation (FAR) at <a href="#">48 CFR Subpart 2.101</a> (also see <a href="#">2 CFR §§ 200.1</a> and <a href="#">200.320</a> ).
<b>Subaward</b>	An award that an SHC makes with NEH funds to a subrecipient organization either under: <ol style="list-style-type: none"> <li>1. a regrant, in support of a humanities project selected through open competition on the basis of established criteria that are publicly known; or</li> <li>2. council-conducted projects, program services, and public meetings.</li> </ol> <p>A subaward may be provided through any legal agreement, including an agreement that the council considers a contract.</p>
<b>Subrecipient</b>	A subrecipient is an organization that receives a subaward from an SHC ( <i>pass-through entity</i> ) to carry out part of a federal program. This does not include awards to individuals (see <i>fellowships</i> ).
<b>Supplies</b>	Tangible personal property, excluding equipment and intangible property as defined in <a href="#">2 CFR § 200.1</a> .
<b>Suspension</b>	The temporary withdrawal of federal assistance and the withdrawal of the SHC's authority to incur expenditures against award funds, pending corrective action or a decision to terminate the award. <p>The suspension of an individual or organization causes that party to be ineligible to receive any additional assistance or benefits from the federal government, pending completion of an investigation and legal proceedings, per <a href="#">2 CFR Parts 180</a> and <a href="#">3369</a>. Such actions may lead to debarment of the SHC.</p>
<b>Travel costs</b>	Expenses for transportation, lodging, subsistence, and related items incurred by those who are on official business, allocable to work under an award.

### III. Roles and Responsibilities

As a federal agency that issues financial assistance, NEH is responsible to Congress and the U.S. taxpayer for carrying out its mission cost effectively and in compliance with applicable requirements set forth in legislation, regulation, and policy. NEH seeks to ensure integrity and accountability in award issuance and administration by relying on a system of checks and balances, separating responsibilities within its own staff, and establishing a similar set of expectations for SHCs. NEH roles and responsibilities are as follows.

## A. NEH roles and responsibilities

### 1. Office of Grant Management

The Office of Grant Management (OGM) is responsible for overseeing SHCs' compliance with the administrative requirements, cost principles, audit requirements, and other non-programmatic aspects of the award. Responsibilities include:

- evaluating applications for administrative content and compliance with statutes, regulations, and the Notice of Funding Opportunity (NOFO);
- negotiating awards;
- providing technical assistance to applicants and SHCs, including interpreting agency policies and federal statutes and regulations;
- monitoring post-award compliance, including reviewing financial reports and conducting site visits; and
- closing out awards.

OGM is the only office authorized to:

- issue Notices of Action obligating federal funds;
- review and respond to requests for prior approval;
- amend funding levels, periods of performance, terms and conditions of award; and
- issue revised Notices of Action.

### 2. Office of Federal/State Partnership

The Office of Federal/State Partnership is the liaison between NEH and the nonprofit network of SHCs. Responsibilities include:

- developing programs to meet NEH's mission;
- providing programmatic technical assistance; and
- post-award monitoring of project performance, including site visits and reviewing progress reports.

### 3. Office of Accounting

The Office of Accounting (OAC) responsibilities include:

- collecting and confirming information submitted via the SF-3881 Automated Clearing House (ACH) form; and,
- reviewing payment requests and issuing payments to SHCs.

For more information, see [Payment Requests and Financial Reporting Requirements](#).

### 4. Office of Inspector General

NEH Office of Inspector General (OIG) responsibilities include:

- conducting audits and investigations;
- reviewing legislation;
- recommending policies to promote efficiency and effectiveness; and
- preventing and detecting fraud, waste, and abuse in the operations of the agency.

For more information, see the [OIG's webpage](#).

## B. Recipient roles and responsibilities

SHC responsibilities include:

- conducting project activities under the NEH award;
- adhering to the terms and conditions of the award and all applicable statutes and regulations; and
- informing NEH of significant programmatic, administrative, or financial problems.

### 1. Institutional grant administrator

The SHC executive director serves as the IGA, unless otherwise approved by NEH. The IGA serves as the primary contact and must have authority to act on the organization's behalf in matters related to the administration of the SO award.

Responsibilities include:

- managing the project consistent with the board's programmatic direction;
- accounting for the appropriate use of funds and the performance of the NEH-funded project or activities as specified in the approved application and in compliance with [2 CFR Part 200](#) and the terms and conditions of the award;
- certifying the accuracy and completeness of all reports (Programmatic Performance Reports, Federal Financial Reports (FFRs), and other award-specific reports, as applicable) prior to submission;
- submitting timely prior approval requests through eGMS Reach in accordance with [Section VII](#); and
- notifying NEH about allegations of research misconduct when they involve NEH-funded research (or an application for NEH funding) and the SHC's inquiry into the allegation determines that there is sufficient evidence to proceed to an investigation in accordance with the [NEH Research Misconduct Policy](#) (see also [Section XIV](#)).

A change of IGA requires immediate notification and submission of a prior approval request to NEH. See [Section VII](#).

**The IGA cannot also serve as the PD. In addition, only the IGA and individuals to whom the IGA delegates authority may make payment requests in eGMS Reach. The IGA may not delegate payment request authority to the PD.**

### 2. Project director

The PD for SO awards must be the SHC's Board Chair, unless otherwise approved by NEH.

Responsibilities include:

- implementing the programmatic aspects of the award;
- maintaining contact with the NEH program officer;
- complying with federal and organizational requirements;
- creating and maintaining necessary documentation, including performance and administrative reports and justifications; and
- acknowledging NEH support in publications, announcements, news programs, and other media.

A change of PD requires immediate notification and submission of a prior approval request to NEH. See [Section VII](#).

**The PD cannot also serve as the IGA. As stated above, the PD may not have payment request authority.**

## C. eGMS Reach

The SHC must submit prior approval requests, reports, and correspondence to NEH via [eGMS Reach](#). When NEH issues the Notice of Action, the PD, IGA, and any other persons with recipient eGMS roles will be assigned eGMS Reach accounts. Access eGMS Reach and follow the on-screen instructions to create a Login.gov account, or input credentials for an existing account.

NEH sends official notifications via eGMS Reach to the email address associated with the account. Protections against spoofing and phishing are provided by Domain-based Message Authentication, Reporting, and Conformance ([DMARC](#)). Do not forward messages to other addresses, as this may cause eGMS Reach messages to be flagged as illegitimate and rejected. Forwarding messages may result in missing important official NEH communications.

Requests for changes (see [Section VII](#)) must be submitted through the "Change Requests" tab in eGMS Reach.

## D. Liability

NEH cannot assume liability for accidents, illnesses, or claims arising out of any work supported by an award or for unauthorized use of patented or copyrighted materials. SHCs are advised to take necessary steps to insure or protect itself, its employees, and its property.

## E. Fiscal agents

SHCs cannot serve as a fiscal agent or fiscal sponsor for SO awards.

Fiscal agents and fiscal sponsors are not eligible to receive NEH funding.



## F. Duplication of benefits

Per [2 CFR § 200.403\(f\)](#), NEH does not permit overlapping costs on two or more awards for federal funding and/or approved federal award budgets. SHCs are prohibited from issuing subawards that allocate funds for a purpose that is already fully supported by other financial assistance (regardless of the source) and that exceed the total financial need for the proposed project. These requirements flow down to all subawards.

## G. SO functional areas

SHCs may incur SO costs across four functional areas:

1. general management;
2. council-conducted projects, program services, and public meetings;
3. fundraising; and
4. re grants.

### 1. *General management*

NEH defines *general management costs* for an SHC as the portion of an SO award expended on day-to-day operations. General management costs include expenditures for organizational administration, such as administrative costs for subaward programs (e.g., subrecipient monitoring, site visits, grant administration, and reporting) and financial management. All costs must be allowable per [2 CFR § 200.403](#).

For further information, see [General Management Costs for State Humanities Councils](#).

### 2. *Council-conducted projects, program services, and public meetings*

SHC-conducted projects, program services, and public meetings (including related publicity and outreach) are intended to advance knowledge and understanding of the humanities and increase public awareness of, access to, and support for the humanities in the United States. SHCs do this through a broad variety of activities. These may include participation in national programs or local programs or projects that fit the unique needs of the SHC's community.

SHCs may use SO funds under this functional area to issue contracts and subawards that support these specific SHC-led initiatives. SHCs may issue contracts or subawards to organizations (including institutions of higher education and units of state and local governments), groups or persons that form an association to carry out a project, and nonprofit groups (which do not have to be incorporated) in accordance with [2 CFR §§ 200.331-332](#).

SHCs cannot make subawards to for-profit entities, but may enter into contracts with for-profit entities under this functional area for procurement services.

See [Section VI](#) and [Appendix A](#) for administrative requirements and terms and conditions for subawards.

### 3. Fundraising

Fundraising costs are the direct costs that SHCs incur, associated with raising the required 1:1 cost share (e.g., development staff, campaigns, proposal costs, fundraising events).

### 4. Regrants

SHCs may regrant SO funds to support programs and research which have substantial scholarly and cultural significance in the form of subawards and fellowships.

SHCs must conduct regrant activities through open competition on the basis of established criteria that are publicly known. Awards must support only humanities-based activities.

#### *Regrant subawards*

SHCs may issue subawards to the following types of eligible organizations:

- institutions of higher education;
- state, local, and federally recognized Indian tribal governments;
- private nonprofit organizations; and
- groups of people that form an association to carry out a project.

For non-public organizations or groups to be eligible under the regranting program, they must be constituted for nonprofit purposes but do not have to be incorporated or have tax-exempt status. **SHCs may not issue subawards to foreign entities, for-profit entities, or fiscal agents.**

See [Section VI](#) and [Appendix A](#) for administrative requirements, terms, and conditions for subawards.

#### *Regrant fellowships*

SHCs may issue competitive regrant fellowships to individuals. Regrants, including cost share/matching funds, cannot support a fellowship solely as an honorific.

See [Section VI](#) for administrative requirements and terms and conditions for fellowships.

## H. Acknowledgment of support and disclaimer

Unless otherwise specified in the terms and conditions of an award, all materials publicizing or resulting from award activities must contain an acknowledgment of NEH support. The acknowledgment must include the following statement: "Any views, findings, conclusions, or recommendations expressed in this (publication) (program) (exhibition) (website) do not necessarily represent those of the National Endowment for the Humanities."

For more information on credits and promotion, see [Acknowledgment and Publicity Requirements for NEH Awards](#) and [Publicizing Your Project](#).

## I. Providing access to NEH-funded products

NEH strives to make the products of its awards available to the broadest possible audience by providing ready and easy access to scholars, educators, students, and the American public.

## J. Protecting personal information

Recipients collecting personal identifiable information (PII) as part of a NEH-funded award are responsible for protecting and storing it. Recipients must take all reasonable and appropriate actions to prevent inadvertent disclosure, release, or loss of PII. Consult [Protecting Personal Information](#) for more guidance. NEH is not liable if the SHC, subrecipient, or fellow incurs an inadvertent disclosure, release, loss, or data breach of PII.

## IV. National Policy Requirements

The SHC must execute projects, productions, workshops, and programs in accordance with the following laws, where applicable.

### A. System for Award Management

Per [2 CFR Part 25](#)—Unique Entity Identifier and System for Award Management, the SHC must maintain [System for Award Management \(SAM\)](#) registration with current information when it has an active federal award or an application under consideration by a federal agency and must review and update its information at least annually. If a recipient's information changes, more frequent updates will be necessary.

The banking information the recipient provides to SAM must match the banking information the recipient provides to NEH on the Automated Clearing House Vendor/Miscellaneous Payment Enrollment Form (SF-3881). Mismatches of ACH banking information between NEH records and SAM.gov will result in NEH rejecting the form.

Per [2 CFR § 25.300](#), the SHC may issue subawards with federal funds only to organizations that have obtained and provided to the recipient a Unique Identity Identifier (UEI). Subrecipients must obtain a UEI from SAM, but are not required to complete registration. Pass-through entities are responsible for improper payments to ineligible subrecipients.

### B. Debarment and suspension

Federal agencies and SHCs are prohibited from doing business with any organization or person (such as a recipient, subrecipient, contractor, or employee) who has been debarred or suspended by any federal agency, unless a waiver has been approved by NEH.

The guidelines contained in [2 CFR Parts 180](#) and [3369](#) apply to this award. The recipient must comply—and must require subrecipients, contractors, fellows, and seminar participants to comply—with the requirements in Subpart C of these regulations.

The recipient must ensure subrecipient and contractor compliance by checking the [Exclusions list](#) within [SAM](#) and including a term or condition in the subaward or contract that requires compliance with [2 CFR Part 200, Subpart C](#). The recipient must require the inclusion of a similar term or condition in any subsequent lower-tier covered transaction as defined in [13 CFR § 400.109](#).

See [2 CFR §§ 200.214](#) and [.339-.343](#).

## C. Lobbying activities

The Byrd Anti-Lobbying Amendment ([31 U.S.C. § 1352](#)) prohibits recipients from using appropriated funds to pay any person or organization for influencing or attempting to influence any officer or employee of an agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any federal contract, grant, or any other award. While non-federal funds may be used for such activities, they may not be included in the project budget and must be disclosed to NEH. NEH implemented these requirements in [45 CFR Part 1168](#)—New Restrictions on Lobbying. See [2 CFR § 200.450](#) for additional information regarding the lobbying prohibitions and types of activities, such as legislative liaison activities and professional and technical services that are not subject to this prohibition.

[18 U.S.C. § 1913](#) states: "No part of the money appropriated by any enactment of Congress shall, in the absence of express authorization by Congress, be used directly or indirectly to pay for any personal service, advertisement, telegram, telephone, letter, printed or written matter, or other device, intended or designed to influence in any manner a Member of Congress, a jurisdiction, or an official of any government, to favor, adopt, or oppose, by vote or otherwise, any legislation, law, ratification, policy, or appropriation, whether before or after the introduction of any bill, measure, or resolution proposing such legislation, law, ratification, policy, or appropriation; but this shall not prevent officers or employees of the United States or of its departments or agencies from communicating to any such Member or official, at his request, or to Congress or such official, through the proper official channels, requests for any legislation, law, ratification, policy, or appropriations which they deem necessary for the efficient conduct of the public business, or from making any communication whose prohibition by this section might, in the opinion of the Attorney General, violate the Constitution or interfere with the conduct of foreign policy, counter-intelligence, intelligence, or national security activities. Violations of this section shall constitute violations of section 1352(a) of title 31."

All costs associated with lobbying activities must be recorded separately in the SHC's financial records to ensure that they are not charged against award funds or included in the SHC's required cost sharing for its awards. Additionally, any portion of the SHC's membership dues paid to the Federation of State Humanities Councils using NEH award funds or the SHC's required cost sharing must not be used to support the Federation's lobbying activities.

## D. Political and social advocacy

SHCs and subrecipients may not use NEH funds to:

- promote a particular political, religious, or ideological point of view;
- advocate for a particular program of social or political action; or
- support specific public policies or legislation.

## E. Obscene and libelous content

NEH-funded projects reach broad public audiences and must not include material that is obscene, libelous, offensive, or defamatory (including hate speech, personal attacks, or material constituting harassment). The SHC must monitor all project content, including user-generated content, comments, blog posts, links, and other social media to ensure it does not include such content.

## F. Code of ethics for projects related to Native Americans

The SHC must ensure that researchers and scholars working on NEH-funded projects related to Native Americans, Aleut, Eskimo, or Native Hawaiian peoples adhere to provisions protecting the rights of Native communities and peoples as detailed in the [Code of Ethics Related to Native Americans](#).

## G. Employment of professional performers

Recipients that employ professional performers and related or supporting personnel under an award (including but not limited to scriptwriters, actors, extras, musicians, stage hands, scenery designers, technicians, electricians, and cinematographers) are subject to the labor standards set forth in [29 CFR Part 505](#)—Labor Standards on Projects or Productions Assisted by Grants from the National Endowments for the Arts and Humanities. Recipients must provide written assurance that:

- these employees will be paid without subsequent deduction or rebate on any account, not less than the minimum compensation as determined in accordance with [29 CFR § 505.3](#) to be the prevailing minimum compensation for persons employed to perform similar activities (for example, union or guild rates); and
- no part of any project or production that is financed in whole or in part under an award will be performed or engaged in under working conditions that are unsanitary, hazardous, or dangerous to the health and safety of the employee engaged in such project or production.

These regulations apply to faculty and staff employed by educational institutions only if such employees are hired primarily to engage in or to assist in performance activities. Faculty or staff hired primarily to teach are excluded even though their teaching activities may include performing or assisting in a performance.

## H. Title VI of the Civil Rights Act of 1964

Title VI, as amended, 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 subject to discrimination under any program or activity receiving federal financial assistance ([42 U.S.C. § 2000\(d\), et seq.](#)). Title VI also extends protection to persons with limited English proficiency. NEH has issued policy guidance for recipients and subrecipients; see [Title VI Prohibition Against National Origin Discrimination As It Affects Persons With Limited English Proficiency](#).

## I. Title IX of the Education Amendments of 1972

Title IX provides that no person in the United States shall, on the basis of sex, be excluded from participation in, be denied benefits of, or be subject to discrimination under any education program or activity receiving federal financial assistance ([20 U.S.C. § 1681, et seq.](#)).

## J. Section 504 of the Rehabilitation Act of 1973

Section 504 provides that no otherwise qualified individual with a disability in the United States shall, solely by reason of their disability, be excluded from participation in, be denied benefits of, or be subject to discrimination under any program or activity receiving federal financial assistance ([29 U.S.C. § 794](#)).

## K. The Age Discrimination Act of 1975

The Act provides that no person in the United States shall, on the basis of age, be excluded from participation in, be denied benefits of, or be subject to discrimination under any program or activity receiving federal financial assistance ([42 U.S.C. § 6101, et seq.](#)).

## L. Drug-free workplace requirements

The recipient must maintain a drug-free workplace in accordance with the Drug-Free Workplace Act of 1988, [41 U.S.C. § 701](#). The recipient must comply with the drug-free workplace requirements contained at [2 CFR Part 182](#)—Government-Wide Requirements for Drug-Free Workplace (Financial Assistance) and the NEH regulation at [2 CFR Part 3373](#)—Requirements for Drug-Free Workplace (Financial Assistance).

## M. The Americans with Disabilities Act of 1990 (ADA)

ADA prohibits discrimination on the basis of disability in employment (Title I), state and local government services (Title II), places of public accommodation and commercial facilities (Title III) ([42 U.S.C. § 12101, et seq.](#)).

## N. Prohibition on certain telecommunications and video surveillance equipment or services

Consistent with [2 CFR § 200.216](#), recipients are prohibited from obligating or expending funds to procure, enter, extend, or renew a contract to procure equipment, services, or systems that use covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system.

As described in [P.L. 115-232, Section 889](#), covered telecommunications equipment is telecommunications equipment produced by Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities).

## O. Activities outside the United States

Prior to undertaking activities outside the United States, the SHC must ensure that all project staff secure the necessary passports, visas, or other required documents for entry into foreign countries. The recipient must also obtain the appropriate licenses, permits, or approvals and must notify NEH if a permit is denied or revoked after an award has been issued, or if an unforeseen circumstance, such as a natural disaster or political turmoil, prevents or threatens to prevent the recipient from carrying out project activities. NEH will consider these situations on a case-by-case basis to determine whether the award should be suspended or if a revised work plan is feasible.

The SHC is responsible for arranging liability and medical insurance for staff and foreign workers engaged in project activities.

NEH does not assume responsibility for SHC compliance with the laws and regulations of the country in which work is to be conducted.

NEH encourages the SHC to register with the State Department's [Smart Traveler Enrollment Program \(STEP\)](#). STEP registrants receive the most current information and travel alerts from the U.S. embassy in the country in which they are traveling, and registration makes it easier for the embassy to contact travelers in an emergency. In addition, the recipient may find travel advisories and warnings on the [State Department's website](#) or by telephone (888-407-4747 from within the United States, +1 202-501-4444 from overseas). For specific questions regarding an emergency involving an American citizen overseas, the recipient should contact the nearest U.S. embassy or consulate or the [U.S. Department of State, Office of Overseas Citizens Services](#).

See [Section VI](#) for other travel requirements.

## P. U.S. Constitution Day education programs

The recipient must comply with [P.L. 108-447, Div. J, Title I, Section III\(b\) \(36 U.S.C. § 106\)](#), which requires educational institutions receiving federal funds in a federal fiscal year to hold an educational program on the U.S. Constitution for its students on September 17 during that year.

For more information, see [Commemorating Constitution Day](#).

## Q. Executive Order 13798 ("Promoting Free Speech and Religious Liberty")

[Executive Order 13798](#), "Promoting Free Speech and Religious Liberty," and the Office of Management and Budget's [Memorandum M-20-09](#), "Guidance Regarding Federal Grants and Executive Order 13798," provide that states and other public recipients must not condition subawards in a manner that would disadvantage applicants based on their religious character.

## R. Prohibition on providing federal funds to ACORN and its subsidiaries

In accordance with [P.L. 111-88, Division A, Section 427](#), none of the funds made available under an NEH award may be distributed to the Association of Community Organizations for Reform Now (ACORN) or its subsidiaries.

## S. Davis-Bacon Act and related labor requirements

**Construction, renovation, repairs, and restoration of real property using NEH funds are unallowable under this program.** However, contracts involving trade labor of \$2,000 or more for work on real property (including painting and decorating) and that are funded in whole or in part by federal funds are subject in their entirety to the Davis-Bacon Act, as amended ([40 U.S.C. § 3141, et seq.](#)). The SHC must furnish assurances to the Secretary of Labor that all laborers and mechanics employed by contractors

or subcontractors on NEH-supported construction projects will be paid wages at rates that are not less than those prevailing on similar construction in the locality, as determined by the Secretary of Labor.

Additional information is available by contacting the [U.S. Department of Labor's Wage and Hour Division](#) at 1-866-487-9243 or through [this form](#).

For more information, see the [Davis-Bacon and Related Acts webpage](#).

## T. Section 106 of the National Historic Preservation Act of 1966

SHCs with projects that involve ground or visual disturbances (such as archeology, or signage that would change the character of a site, building, or district listed or eligible for inclusion in the National Register of Historic Places) require review and prior approval from NEH. These projects must comply with Section 106 of the National Historic Preservation Act of 1966 ([54 U.S.C. § 306108](#)) and its implementing regulation, [36 CFR Part 800](#)—Protection of Historic Properties. Section 106 requires NEH to consider the effects of projects that have been offered or awarded NEH funding on historic properties and, when applicable, to provide the Advisory Council on Historic Preservation an opportunity to comment on such projects.

SHCs cannot begin ground or visual disturbance until NEH concludes its Section 106 review and provides written notification of compliance to the recipient or subrecipient.

For more information, see NEH guidance on [Section 106 of the National Historic Preservation Act](#) or contact [FPO@neh.gov](mailto:FPO@neh.gov).

## U. Native American Graves Protection and Repatriation Act of 1990 (NAGPRA)

NAGPRA ([25 U.S.C. § 3001, et seq.](#)) and its implementing regulation, [43 CFR Part 10](#)—Native American Graves Protection and Repatriation Regulations, provides protection of Native American graves and items, that is, human remains, funerary objects, and sacred objects. NAGPRA applies to any organization that controls or possesses Native American human remains and associated funerary objects and that receives federal funding, even for a purpose unrelated to the Act.

For more information, see the [NAGPRA website](#).

## V. Animal Welfare

SHCs must ensure that any project activities involving live or dead animals comply with the Animal Welfare Act, as amended ([7 U.S.C. § 2131, et seq.](#)) and the Preventing Animal Cruelty and Torture Act ([18 U.S.C. § 48](#)). SHCs must seek prior approval for any activities that involve live or dead animals. See [Section VII](#).

## V. Payment, Interest, and Refunds

### A. Payment

NEH awards are funded on an advance basis unless otherwise specified in the award. NEH issues payments via electronic funds transfer. SHCs should only draw on an as-needed basis, limiting advance



payments to the minimum amount needed and timing payment requests as close as is administratively feasible to disbursement (i.e., no later than five business days after receiving funds from NEH). When possible, the recipient should consolidate payment requests to cover the anticipated immediate cash needs for all its NEH awards.

Unless otherwise stated in the specific terms and conditions of the award, SHCs should refer to [Payment Requests and Financial Reporting Requirements](#) for payment instructions.

To the extent possible, SHCs must disburse funds from program income (including repayments to a revolving fund), rebates, refunds, contract settlements, audit recoveries, and interest earned on such funds before requesting additional cash payments.

The SHC must deposit federal funds in an insured, interest-bearing account unless one of the following conditions pertains:

- the SHC receives less than \$250,000 in federal awards per year;
- the most reasonably available interest-bearing account would not earn more than \$500 per year on the federal cash balance; or
- placing the money in such an account would entail bank service charges in excess of the interest earned.

## B. Payments to subrecipients and individuals

SHCs may issue regrant payments to subrecipients and individuals (through fellowships) in full, on a cash-advance basis, or, for high-risk subrecipients and individuals, on a reimbursement basis. SHCs may use a blended payment method of cash advance and reimbursement tied to regrant performance outcomes and reporting requirements.

## C. Repayment of funds to NEH

SHCs must promptly return disallowed costs, undisbursed funds, and erroneous payments to NEH. The only exception to the requirement for prompt repayment is when the funds involved will be disbursed by the recipient within 30 calendar days.

For instructions on how to repay funds to NEH, see [Payment Requests and Financial Reporting Requirements](#).

## D. Interest earned on advanced payments and return of excess interest

Per [2 CFR § 200.305\(12\)](#), SHCs may retain up to \$500 per year in interest earned on advanced payments for administrative expenses. Interest earned in excess of \$500 a year must be remitted to the Department of Health and Human Services annually.

For instructions on how to repay interest, see [Payment Requests and Financial Reporting Requirements](#).

## VI. Project Costs

### A. Allowable costs

Allowable costs are those consistent with the principles established in [2 CFR Part 200, Subpart E](#) and those permitted by NEH's authorizing legislation ([20 U.S.C. § 956](#)). To be permitted under the SO award, costs must be:

- allowable, allocable, reasonable, and necessary to the project;
- used to initiate and support programs and research which have substantial scholarly and cultural significance; ensure that the benefit of programs will also be available to citizens where such programs would otherwise be unavailable due to geographic or economic reasons; and foster education in and public understanding and appreciation of the humanities; and
- fall under the four functional areas permitted by the SO program (i.e., general management; council-conducted projects, program services, and public meetings; fundraising; and regrants).

### B. Fundraising restrictions

[Section 7\(f\)](#) of the National Foundation on the Arts and Humanities Act of 1965, as amended, provides NEH with the authority to allow SHCs to charge fundraising costs as expenditures against NEH and cost sharing funds in SO awards.

Fundraising costs may not be charged to regranteeing programs. See [General Management Costs for State Humanities Councils](#) for additional guidance on identifying and applying general management costs.

### C. Matching

See [Matching Guidelines for General Support Grants to State Humanities Councils](#).

### D. Cost sharing requirement

NEH views cost sharing as a means to ensure that a wide range of individuals and educational, cultural, and other organizations are involved and meaningfully invested in an SHC's work. SHCs are strongest when they have a deep commitment to being a statewide organization while being firmly rooted in local communities.

By law, NEH cannot support more than 50 percent of the costs of an SHC's activities ([20 U.S.C. § 956\(f\)](#)). NEH strongly encourages SHCs to meet their cost sharing requirements from a wide range of sources and strongly discourages SHCs from meeting their cost sharing requirements by relying on contributions at the subrecipient level.

The 1:1 requirement must be met by the end of the five-year period of performance. While recommended, it is not required to meet the 1:1 cost share requirement annually. Cost share should be recognized in accordance with the SHC's chosen method of accounting. If the 1:1 requirement is not met

by the time of the submission of the final FFR, the SHC must return the equivalent amount of NEH funds that were not cost shared.

If the SHC anticipates that the cost share may not be met by the end of the period of performance, it must notify the Grants Management Specialist via eGMS Reach at least six months prior to the end of the period of performance.

In accordance with [2 CFR § 200.306](#), allowable cost sharing sources include:

- cash contributions to the SHC, subrecipient, or fellow that are made from any source, including funds from other federal agencies if allowed under those federal programs in accordance with [2 CFR § 200.306\(b\)\(5\)](#);
- program income;
- the value of in-kind contributions made by a third party, subject to [2 CFR Part 200](#), for allowable SHC activities under the SO award; and
- cost-share or in-kind contributions provided by subrecipients or individuals whose subawards or fellowships are subject to these terms and conditions.

Any additional NEH funding, regardless of whether it is awarded to the recipient, subrecipient, or fellow, cannot be used as cost share for the SO award.

In addition, all cash and in-kind contributions to a project from a SHC, subrecipient, individual, or third party must:

- be necessary and reasonable for the proper and efficient accomplishment of project objectives;
- be allowable under [2 CFR Part 200, Subpart E](#);
- support activities that are included in the approved project work plan;
- be incurred during the SO award's period of performance;
- be well-documented in the SHC's or the subrecipient records; and
- not be included as contributions for any other program of federal assistance.

Any contribution that a subrecipient makes to its own project must be based either on the cost incurred to provide that contribution or, in the case of donated buildings or equipment, on depreciation or a use allowance that is computed in accordance with the applicable cost principles in [2 CFR Part 200, Subpart E](#).

The 1:1 cost share must be reported as part of the non-federal share of outlays for that award on the FFR.

For further information regarding the cost share eligibility, refer to [Matching Guidelines for General Support Grants to State Humanities Councils](#).

## E. Cost sharing waiver for American Samoa, the Commonwealth of the Northern Mariana Islands, Guam, and the U.S. Virgin Islands

The cost sharing requirement is modified for the four territorial councils covered under the Economic Development of Territories Act of 1984. In accordance with [48 U.S.C. §1469a](#), as amended, NEH shall waive the requirement for local matching funds less than \$200,000 (including in-kind contributions)

required by law to be provided by American Samoa, the Commonwealth of the Northern Mariana Islands, Guam, and the U.S. Virgin Islands. This waiver is applied to each funding year.

## F. Valuation of third-party in-kind contributions

When the SHC's cost sharing includes third-party in-kind contributions, the basis for determining the valuation of volunteer services (including board member time) and donated property or space must be documented and must conform to the requirements set forth in [2 CFR § 200.306](#).

## G. Program income

Program income is gross income that an SHC earns or receives during the period of performance from the activities supported by award funds or from products resulting from award activities. It includes, but is not limited to, income from fees for services performed and from the sale of items produced under an award; usage or rental fees for equipment or property acquired under an award; admission fees; broadcast or distribution rights; and license fees and royalties on patents and copyrights.

Program income does not include rebates, credits, discounts, or interest earned on any of them.

SHCs may use program income generated during the SO award period to meet their cost sharing requirements. SHCs cannot apply program income as cost share generated under one SO award on a subsequent SO award.

SHCs may deduct the costs incidental to the generation of program income, if these are not already charged to the award or subaward (regrant).

See [2 CFR § 200.307](#).

### *1. Program income generated from subawards*

SHCs should stipulate in their subawards how the subrecipient is to use program income earned during the period of performance. Councils may stipulate one of the following:

- Addition: Program income may be added to the existing project funding to cover allowable costs of the project, or it may be used to support other projects in the humanities.
- Deduction: Program income must be used to finance the federal share of the project costs, which would result in an equivalent reduction in the amount of the subaward.
- Cost sharing or matching: Program income may be used to meet the cost sharing or matching requirement of the NEH award.

Unless an SHC specifies in the subaward agreement how income earned during the subaward period of performance is to be used, the subrecipient must use the deduction method, thereby reducing the subaward amount ([2 CFR § 200.307\(b\)](#)).

There are no restrictions on the use of program income earned after the award period of performance ([2 CFR § 200.307\(c\)](#)).

## H. Subawards

Per [2 CFR § 25.300](#), SHCs may issue subawards with federal funds only to organizations that have obtained a UEI from SAM and provided it to the SHC. Subrecipients are not required to complete full SAM registration. Per [2 CFR § 200.332](#), SHCs must verify that potential subrecipients are not suspended, debarred, or otherwise excluded from receiving federal funds. The SHC is responsible for improper payments to ineligible subrecipients.

The SHC must monitor its subrecipients to ensure they:

- use subawards for authorized purposes;
- comply with federal statutes, regulations, and the terms and conditions of the subaward;
- achieve performance goals as defined in the subaward agreement; and
- track, appropriately use, and report program income generated by the subaward.

An SHC may provide a subaward through any form of legal agreement, including an agreement that it considers a contract. Refer to [2 CFR § 200.331](#) for additional guidance. Subawards do not include payments to an individual that is a beneficiary of a federal program.

For further information on subaward terms and conditions, guidance on monitoring, and reporting requirements that apply to all SO subawards, see [Appendix A](#). Additional information on managing subawards is available at [General Guidance for Pass Through Entities Managing Subawards](#).

### 1. Federal Funding Accountability and Transparency Act reporting

As required by the Federal Funding Accountability and Transparency Act of 2006 (FFATA) ([P.L. 109-282](#), as amended by section 6202 of [P.L. 110-252](#)), the SHC must report information for each subaward of \$30,000 or more in federal funds and executive total compensation as outlined in [Appendix A to 2 CFR Part 170](#). FFATA reporting requirements apply for the duration of the period of performance.

The SHC must report all subawards meeting the threshold at [Federal Funding Accountability and Transparency Act Subaward Reporting System](#) (FSRS). Reports are due at the end of the month following the month in which the recipient awards any subaward greater than or equal to \$30,000.

## I. Fellowships

Fellowships are competitive regrant awards issued to individuals pursuing humanities projects. Like regrant subawards, a fellowship must be selected in open competition on the basis of established criteria that are publicly available.

Fellowships may be awarded to:

- U.S. citizens residing domestically or abroad; or
- foreign nationals who have lived in the United States or its jurisdictions for at least the three years prior to the application deadline.

Prior to issuing a fellowship, the SHC must check the Entity Information record in [SAM](#). This is to ensure that the individuals have not been debarred or suspended by any federal department or agency. See [2 CFR Parts 180](#) and [3369](#).

SHCs are responsible for oversight of fellowships and must monitor the fellow to ensure that they:

- comply with federal statutes, regulations, and the terms and conditions of the fellowship; and
- review performance reports to ensure that the goals as defined in the fellowship award agreement are achieved.

The following list are NEH terms in this document that flow down from the SHC to fellowships:

- III.D. Liability
- III.E. Fiscal agents
- III.F. Duplication of benefits
- III.H. Acknowledgement of support and disclaimer
- III.I. Providing access to NEH-funded products
- III.J. Protecting personal information
- IV.B. Debarment and suspension
- IV.C. Lobbying activities
- IV.D. Political and social advocacy
- IV.E. Obscene and libelous content
- IV.F. Code of ethics for projects related to Native Americans
- IV.L. Drug-free workplace requirements
- IV.N. Prohibition on certain telecommunications and video surveillance equipment or services
- IV.O. Activities outside the United States
- IV.R. Prohibition on providing federal funds to ACORN and its subsidiaries
- IV.T. Section 106 of the National Historic Preservation Act of 1966
- IV.U. Native American Graves Protection and Repatriation Act of 1990
- V.A. Payment
- VI.A. Allowable costs
- VI.D. Cost sharing requirement
- IV.F. Valuation of Third-Party In-Kind Contributions
- IV.H. Fellowships
- IV.L. Equipment
- IV.M. Supplies
- IV.O. Travel costs
- VII.B. Budget revisions
- VII.C. Ground disturbing activities
- VIII. Reporting Requirements
- IX.A. Federal Funding Accountability and Transparency Action reporting
- X.C. Record retention
- XI.B. Intangible property
- IX.C. Copyright information
- XII.A. Data collection
- XII.B. Dissemination of project results
- IXV.A. Research misconduct
- IXV.B. Mandatory disclosures: fraud, waste and abuse

- Any other special terms and conditions identified by the SHC to the fellow in the Notice of Award.

## J. Depreciation or use fees, routine maintenance administration, and repair

SHCs may charge depreciation (see [2 CFR § 200.436](#)) or use fees to the award. Routine maintenance and repair costs are allowable (see [2 CFR § 200.452](#)).

Subrecipients that charge an indirect cost to a subaward may not charge depreciation or use fees if such costs are already included in their indirect cost base.

## K. Procurement standards

SHCs are subject to the procurement standards set forth in [2 CFR §§ 200.317–.327](#).

Per [2 CFR § 200.1](#), the micro-purchase threshold set by [48 CFR Part 2, Subpart 2.1](#) is \$10,000 for procurements under grants and cooperative agreements.

The simplified acquisition threshold is found in the FAR at [48 CFR Subpart 2.101](#). In addition to other provisions required by NEH or the recipient, all contracts made by the recipient under the federal award must contain the provisions in [Appendix II to 2 CFR Part 200](#), as applicable.

The recipient is the responsible authority, without recourse to NEH, regarding the settlement and satisfaction of all contractual and administrative issues with procurements made in support of an NEH award. SHCs should refer matters concerning the violation of a statute to the federal, state, or local authority that has proper jurisdiction.

## L. Equipment

Per [2 CFR § 200.313](#), title to equipment acquired by a recipient or subrecipient under an NEH award vests upon acquisition in the recipient or subrecipient. The recipient must use that equipment for the originally authorized purpose and must not encumber it without NEH's approval. NEH reserves the right to determine the disposition of the equipment when it is no longer needed for the originally authorized purpose.

In addition, the SHC must report equipment purchased with NEH funds on the Tangible Personal Property Report (SF-428) within 120 calendar days after the end date of the period of performance.

## M. Supplies

Per [2 CFR §§ 200.314](#), title to supplies vests upon acquisition in the recipient or subrecipient. If there are unused supplies exceeding \$10,000 in aggregate value at the end of the period of performance and the supplies are not needed for other federally funded projects or programs, the SHC may retain or sell them. In either case, the recipient must compensate the federal government for its share.

For more information on the allowability of supplies costs, see [2 CFR § 200.453](#).

## N. Real property acquisition, construction, renovation, and repair

SHCs must not use NEH SO funds for any costs related to the purchase of land or facilities or for construction, renovation, repair, or restoration.

## O. Travel costs

Per [2 CFR § 200.475](#), travel costs include transportation, lodging, subsistence, and related items incurred by SHC employees who are in travel status on official business of the SHC. They must be directly allocable to specific work under the SO award or subaward or incurred in the normal course of the administration of the council. SHCs may charge travel costs on an actual basis, a per diem or mileage basis in lieu of actual costs, or a combination of the two, provided the method used is applied to an entire trip and not to selected days. Travel costs must be consistent with those normally allowed in like circumstances in the recipient's non-federally funded activities and must be in accordance with the recipient's written travel reimbursement policies.

### **Recipients are responsible for any costs associated with cancelations of non-refundable travel costs.**

Airfare costs in excess of the basic least expensive unrestricted accommodations class offered by commercial airlines are unallowable except when such accommodations would:

- require circuitous routing;
- require travel during unreasonable hours;
- excessively prolong travel;
- result in additional costs that would offset the transportation savings; or
- offer accommodations not reasonably adequate for the traveler's medical needs.

Air travel that is paid in whole or in part with NEH funds must be undertaken on U.S. flag aircarriers, unless one or more of the situations described under foreign travel below apply.

### *1. Foreign travel*

Foreign travel is any travel outside the United States and its jurisdictions.

Unless specifically mentioned otherwise, NEH's approval of the annual SO budget includes approval of all foreign travel contained therein. Foreign travel that is not included in the approved budget requires NEH prior approval.

In accordance with the Fly America Act ([49 U.S.C. § 40118](#)), all air transportation of persons or property that is paid in whole or in part with NEH funds must be performed on a U.S. flag air carrier. Regulation regarding the Fly America Act is available at [41 CFR §§ 301-10.131-143](#).

The use of a foreign air carrier would be permissible in the following circumstances:

- when a U.S. air carrier is not available;
- when using a U.S. carrier service would extend the travel time by 24 hours or more;
- when a U.S. carrier does not offer a nonstop or direct flight between origin and destination, and using a U.S. carrier:
  - increases the number of aircraft changes outside the United States by two or more;



- extends travel time by six hours or more; or
  - requires a connecting time of four hours or more at an overseas interchange point.
- when the flight time from origin to destination is less than three hours and using a U.S. flag carrier doubles the flight time; or
- when there is an applicable [Open Skies Agreement](#) in effect that meets the requirements of the Fly America Act. A foreign flag carrier may be used if an air transportation agreement exists between the U.S. and a foreign government. Recipients must check with the foreign flag carrier to ensure it is covered by the Open Skies Agreement.

Lower cost, convenience, or traveler preference are not acceptable reasons for using a foreign air carrier. Crossing the U.S. border to use a foreign airline to avoid being subject to the Fly America Act is not permitted.

### *Documenting exceptions*

To document a Fly America exception or waiver, including one under an Open Sky Agreement, the recipient must attain the following:

1. a completed and signed internal agency Fly America exception form;
2. a detailed travel itinerary from a travel agent or online travel service (i.e., Sanditz, Travelocity, Orbitz, or Expedia); and
3. the search results performed at the time of booking from an online travel service that document all available flights and the existence of the Fly America exception identified on the Fly America exception form, if applicable.

See [Section IV](#) for additional requirements for activities outside the United States.

## *2. Hotel and motel fire safety*

The SHC must hold federally funded meetings and conferences in properties that comply with the Hotel and Motel Fire Safety Act of 1990 ([P.L. 101-391](#)). Consult the U.S. Fire Administration's [National Master List](#) for a list of fire code-compliant hotels.

## *P. Food and alcohol*

**SHCs must obtain prior approval from NEH to expend federal funds on food, beverages, and snacks at meetings, conferences, workshops, and outreach events, unless OGM authorizes such costs in the approved work plan and budget.**

Refer to NEH's policy on the [Allowability of Food Costs on NEH Awards](#), which outlines the circumstances under which NEH SO award funds may be used to provide food, the requirements needed to authorize those costs, and any restrictions that apply.

Per [2 CFR § 200.423](#), the cost of alcoholic beverages is unallowable.

## Q. Dependent care

### 1. Dependent care for participants of NEH-funded conferences

Per [2 CFR § 200.432](#), the recipient may use federal funds to identify, publicize, and provide locally available dependent care resources for participants of NEH-funded conferences (including meetings, retreats, seminars, symposia, workshops, or events whose primary purpose is the dissemination of technical information). NEH encourages recipients to consider offering dependent care services at conferences to facilitate the broadest possible participation; however, SHCs must exercise discretion and judgment in ensuring that conference costs are appropriate, necessary, and managed in a manner to minimize costs to the SO award.

NEH funds may not be used to provide participant travel costs related to dependent care.

OGM may make exceptions for programs that include Indian tribes, children, and the elderly on a case-by-case basis.

### 2. Dependent care for recipient employees in travel status

Per [2 CFR § 200.475\(c\)\(1\)](#), the recipient may use federal funds to pay for temporary dependent care (above and beyond regular dependent care) for employees of the recipient who are in travel status, provided:

- the costs result directly from the individual's NEH-funded travel to a conference;
- the costs are consistent with the recipient's established written policy for all official travel; and
- the costs are only during the travel period.

## R. Indirect costs

### 1. SHC activities – unallowable indirect costs

Because SO awards support the SHC's day-to-day operations, **SHCs may not apply an indirect cost rate to their SO award budgets.**

SHCs may charge actual direct costs for day-to-day operations, also known as facilities and administrative costs (F&A), to the award under the General Management functional area on the SF-424A. NEH defines *general management costs* for an SHC as the portion of its SO award it expends to maintain day-to-day operations. General management costs cover all allowable expenditures for organizational administration, including administrative costs for subaward programs—such as subrecipient monitoring, site visits, grant administration and reporting—and financial management. All costs must be allowable per [2 CFR § 200.403](#). See [General Management Costs for State Humanities Councils](#) for additional guidance on identifying and applying general management costs.

### 2. Subawards – allowable indirect costs

A subrecipient may charge indirect costs to a subaward made under a SO award. If a subrecipient has negotiated an applicable indirect cost rate agreement with the federal government, the SHC must accept this rate. If the subrecipient does not have a federally negotiated rate, it may negotiate an

indirect cost rate with the SHC or use the de minimis rate of 15 percent (see [2 CFR § 200.332\(b\)\(4\)](#)). The SHC must include the indirect cost rate in the subaward agreement, as required in [2 CFR § 200.332\(b\)\(1\)](#). A subaward's total costs (direct and indirect) are part of the SO award's direct costs.

## VII. Project Changes: Prior Approval Requirements

Per [2 CFR § 200.308](#), the recipient must request prior approval from NEH for budgetary and programmatic revisions.

The IGA must submit prior approval requests through the "Change Requests" tab in [eGMS Reach](#). OGM will review the request and notify the recipient within 30 calendar days whether it has been approved. If the revision is still under consideration at the end of 30 calendar days, OGM will inform the recipient in writing of the date by which it may expect a decision.

### A. Changes in key personnel

A change in PD or IGA requires immediate notification and submission of a prior approval request to NEH.

### B. Budget revisions

Once NEH approves the annual budget and accompanying budget justification for the funding period, there are certain changes that require NEH prior approval. These requirements are found at [2 CFR § 200.308\(f\)](#), and per [308\(f\)\(4\)](#), recipients must seek prior approval in accordance with [2 CFR Part 200, Subpart E](#) as applicable.

**SHCs must obtain prior approval from NEH to shift funds from the grantees functional area into another functional area except to cover increased costs related to the auditing of subawards.**

Recipients do not have to seek NEH prior approval to rebudget funds:

- between budget line items (object cost categories) within a functional area;
- from one activity or program to another;
- between program functional areas: council-conducted projects, program services, and public meetings; fundraising; or general management; or
- from council-conducted projects, program services, and public meetings, fundraising, or general management, into regranteeing.

### C. Extensions to the liquidation period

SHCs have the responsibility of ensuring that all council and subrecipient activities charged to an NEH award take place within the applicable period of performance. NEH will not approve requests to extend the period of performance. SHCs may not incur new costs past the last day of the period of performance; however, NEH may approve an extension to the 120-day liquidation period so that costs incurred during the period of performance may be liquidated.

To request an extension of the liquidation period, the IGA must submit a request through eGMS Reach with a justification for the extra time, confirmation of when the SHC incurred the costs, and what was purchased.

## D. Ground-disturbing activities

SHCs and subrecipients must seek prior approval for council-conducted projects and regrant activities that involve ground-disturbing activities such as archaeology, landscaping, and the addition of signage before any activities may occur and before funds are released. Such projects may require compliance with:

- Section 106 of the National Historic Preservation Act ([54 U.S.C. § 306108](#)) and its implementing regulation ([36 CFR Part 800](#)); and/or
- National Environmental Policy Act (NEPA) ([42 U.S.C. § 4331, et seq.](#)) and its implementing regulation ([40 CFR Parts 1500-1508](#)).

## E. Other changes requiring prior approval

In addition to changes in the IGA or PD and certain budget revisions, the recipient must obtain prior approval from NEH to expend SO award funds on the following costs if not explicitly included in the approved annual budget and accompanying budget justification:

- purchase of equipment;
- food, beverages, and snacks at meetings, conferences, workshops, and outreach events;
- subawards that include ground disturbing activities, such as archaeology, landscaping, and the addition of signage;
- shifting funds from the regrant functional area into another functional area except to cover increased costs related to the auditing of subawards;
- projects or subawards involving animals or human subjects; and
- subawards not under the regranting program and not included in the original application.

## VIII. Reporting Requirements

SHCs are required to report on annual activities, accomplishments, and expenditures. Information on specific reports and when they are due are identified in the "Forms and Reports" tab in eGMS Reach. The *Report Schedule* document is located in the "Documents" tab.

SHCs must submit reports electronically via eGMS Reach unless otherwise instructed. Failure to submit required reports may result in NEH pursuing an enforcement action such as payment restrictions, suspension or termination of the award, suspension of action on pending applications and awards, or a report to [SAM](#).

SHCs must submit a final FFR to OGM within 120 days after the period of performance end date. The FFR must be completed electronically in eGMS Reach (the SHC may not upload a completed PDF). All information must be accurate, complete, and consistent with the SHC's accounting records.

In some cases, the SHC may need to revise or amend a previously submitted FFR. When the revision results in a balance due to NEH, the SHC must submit a revised FFR when the overcharge is discovered, no matter how much time has lapsed since the original due date of the report. See [OMB Circular A-129](#) and [2 CFR §§ 200.345](#) and [.346](#) for requirements regarding unreturned amounts that become delinquent debts. The SHC should explain in the FFR *Remarks* section why the revision is necessary and describe

corrective actions to prevent similar situations in the future. If an adjustment needs to be made, NEH will advise the SHC.

For more information, see [Payment Requests and Financial Reporting Requirements](#).

Note: SHCs may not require subrecipients to report more frequently than quarterly or less frequently than annually, except in unusual circumstances (see [2 CFR § 200.328](#)).

## IX. Award Closeout

SHCs are responsible for ensuring that all council and subrecipient activities charged to an SO award take place within the applicable period of performance.

NEH expects SHCs to obligate most of the funds awarded each year by the end of the SO annual funding period; however, SHCs may obligate funds any time during the period of performance, provided that all obligations are liquidated within 120 days after the conclusion of the period of performance. Prior approval is required to extend the liquidation period beyond 120 days. NEH will extend the liquidation period only in limited circumstances. See [Section VII](#).

SHCs must expend their non-federal cost share, any non-federal match, and the federal funds by the end of the period of performance during which the SO funds were awarded. Subrecipients must expend gifts as cost share within the subaward's period of performance.

The final two years of an award, when NEH does not obligate new funding, provide the SHC time to close out competitive regrants (subawards and fellowships), fundraise, and expend remaining funds on allowable activities.

Per [2 CFR § 200.344\(h\)](#), NEH must close out an award within one year of the conclusion of the period of performance. Failure to submit final reports within 120 days after the conclusion of the period of performance may result in delayed payments, suspension of action on pending applications and awards, and/or reporting the recipient's material failure to comply with the term and conditions of the award to [SAM](#). Federal agencies may also pursue other enforcement actions as appropriate. See [2 CFR § 200.339](#).

Upon receipt of all final reports by stated due dates, NEH will proceed with closeout. Regardless of compliance with reporting requirements, NEH will commence closeout with information available 120 days after the period of performance end date.

Closeout of an award does not cancel requirements for property accountability, record retention, or financial accountability. Following closeout, SHCs must return funds due as a result of later refunds, corrections, or other transactions. The federal government may recover funds based on the results of an audit.

## X. Audits and Record Retention

### A. Financial management standards

An SHC's financial management system must meet the requirements set forth in [2 CFR §200.302](#) and comply with the following standards.

## 1. Accounting records

The SHC must maintain records that adequately identify the source and application of federal funds. These records must contain information pertaining to obligations, unobligated balances, assets, liabilities, expenditures, and income.

Each SHC must maintain a double-entry accounting system in accordance with generally accepted accounting principles, applied on a consistent basis. The system should provide a general ledger, a cash receipts journal, a cash disbursements journal, and a general journal. The general ledger should contain control accounts for subaward (regrant) funds and cost sharing funds that are provided by the council itself. A separate control account, which may be recorded in a memorandum ledger rather than the general ledger, should be established for cost sharing funds that are provided by subrecipients and the council's board.

There should also be a subsidiary ledger in which each subaward is listed separately and which contains the following information: the date of the award, the amount of gifts received, the amount of outright and matching funds awarded, the beginning and ending dates of the subaward period of performance, the payments made, the net balance to be paid, and the cost sharing reported by the subrecipient. The subsidiary ledger account balances for each subaward should be added monthly and reconciled to the general ledger if the council uses an accrual basis system. If the SHC's records are maintained on a cash basis, the payments recorded in the subsidiary ledger account should be added monthly and reconciled to the general ledger.

To facilitate the management of gifts and matching funds, SHCs are to maintain a log or journal that contains the name and the classification of the donor, the name of the recipient (if the gift was not given directly to the council), the amount of the gift, the designation of the gift as restricted or unrestricted, the amount of the gift that is certified to NEH and the date certified, the amount of matching funds awarded by NEH and the date of that award, and the allocation of the gifts and matching funds to one or more SHC activities.

## 2. Internal controls

Effective control and accountability must be maintained for all cash, real and personal property, and other assets. The SHCs must adequately safeguard all such property and PII (see [Protecting Personal Information](#)), and must provide assurance that PII is used solely for authorized purposes. SHCs must also have systems in place to ensure compliance with the terms and conditions of any awards they administer.

Because the periods of performance of SO awards overlap, SHCs must track activities and expenditures for each funding period separately. SHCs may not apply the same cost share to more than one SO award. SHCs must establish and maintain adequate accounting systems and financial records to accurately track funds by federal award.

## 3. Budget control

Records of expenditures are to be maintained by the cost categories of the approved budget and actual expenditures are to be compared with budgeted amounts.

## 4. Cash management

SHCs must monitor the cash drawdowns of their subrecipients to ensure that they conform to the standards of timing and amounts set forth in [2 CFR § 200.305](#) and [Appendix A](#) of these terms and conditions.

## 5. Source documentation

Accounting records must be supported by source documentation such as canceled checks, bank statements, invoices, paid bills, donor letters, time and attendance records, activity reports, travel reports, contractual and consultant agreements, and subaward documentation. All supporting documentation should be clearly identified with the award identification number and name of the general ledger accounts that are to be charged or credited.

Formal agreements with independent contractors, such as consultants, must include a description of the services to be performed, the period of performance, the rate and method of payment, an itemization of travel and other costs that are allowable through the agreement, and the signatures of both the contractor and an appropriate SHC official.

## 6. Cost sharing and cost sharing records

For additional information on cost sharing and cost sharing records, see [Section VI](#).

## B. Audit requirements

SHCs and their subrecipients are subject to the requirements of the Single Audit Act Amendments of 1996 ([31 U.S.C. §§ 7501-7507](#)) as implemented by [2 CFR Part 200, Subpart F](#). SHCs and subrecipients expending \$1,000,000 or more in federal funds from all sources during their fiscal year are subject to the Single Audit, also known as a Subpart F audit. When conducting the audit, auditors must follow [NEH's Program-Specific Audit Guide for State Humanities Councils](#). The Assistance Listing for the SO program is 45.129.

SHCs that are not subject to the Single Audit requirements but expend between \$500,000 and \$999,999 in funds awarded through the SO award program during their fiscal year must undergo a program-specific audit for that year. The SHC must submit the program specific audit through eGMS Reach under the "Optional Report" type called "Fed/State: Program-Specific Audit" within 30 calendar days after receipt of the auditor's report, or nine months after the end of the audit period. Contact the OIG at [oig@neh.gov](mailto:oig@neh.gov) for further guidance concerning this audit.

SHCs may charge the cost of the program audit to the SO award.

## C. Record retention

The SHC must retain financial records, supporting documentation, statistical records, and all other records pertinent to the NEH award for three years from the date of submission of the final FFR. When the terms and conditions of an award require the SHC to report program income, the SHC must retain pertinent records for three years from the date of submission of the last required income report. The SHC must retain records for real property and equipment acquired with NEH funds for three years after final disposition.

See [2 CFR § 200.334](#) for additional record retention requirements.

## XI. Rights

### A. Title to equipment and real property

Conditional title to equipment and real property acquired with NEH funds belongs to the SHC or subrecipient. See [2 CFR § 200.313](#) for additional information regarding the title, use, management requirements, and disposition of equipment purchased with NEH funds. See [2 CFR § 200.311](#) for such information about real property.

### B. Intangible property

Title to intangible property acquired under the award belongs to the SHC. The recipient must use that property for the originally authorized purpose and may not encumber the property without NEH's approval. NEH reserves the right to determine the disposition of the intangible property when it is no longer needed for the originally authorized purpose.

### C. Copyright information

Consistent with [2 CFR § 200.315\(b\)](#), the SHC may copyright any work that is subject to copyright and that was developed, or for which ownership was acquired, under the award. NEH reserves a royalty-free, nonexclusive, and irrevocable right to reproduce, publish, or otherwise use the work for federal purposes, and to authorize others to do so.

## XII. Data Collection and Dissemination

### A. Data collection

The SHC is responsible for data collection activities performed under an SO award. NEH's support of the project does not constitute approval of the survey design, questionnaire content, or data collection procedures. The SHC must not represent to respondents that such data are being collected for, or in association with, NEH or any other government agency without the specific written approval of the data collection plan or device by NEH. This requirement is not intended to preclude mention of NEH support of the project in response to an inquiry or the acknowledgment of such support in any publication of this data.

As required by Coordination of Geographic Information and Related Spatial Data ([OMB Circular A-16](#) and [Executive Order 12906](#)), recipients whose projects include the development, acquisition, preservation, or enhancement of geospatial data, products, or services must conduct a due diligence search of the list of datasets housed at [Data.gov](#) to determine whether the needed geospatial-related data, products, or services already exist. If not, the recipient must produce the proposed geospatial data, products, or services in compliance with applicable [Federal Geographic Data Committee](#) guidance.

The federal government has the right to obtain, reproduce, publish, or otherwise use data first produced under an award and authorize others to do so for government purposes.



## B. Dissemination of project results

SHCs and their subrecipients are expected to publish or otherwise make publicly available the results of work conducted under an award.

Publication and distribution agreements must include provisions that give the government a royalty-free, nonexclusive, and irrevocable right to reproduce, publish, or otherwise use the material for federal purposes and requiring the acknowledgment of NEH support.

Unless otherwise specified in the terms and conditions of an award, all materials publicizing or resulting from award activities must contain an acknowledgment of NEH support. The acknowledgment must include the following statement: "Any views, findings, conclusions, or recommendations expressed in this (publication) (program) (exhibition) (website) do not necessarily represent those of the National Endowment for the Humanities."

Consult [Acknowledgment and Publicity Requirements for NEH Awards](#) and [Publicizing Your Project](#) for guidance on credits and promotion.

## XIII. Suspension, Termination, and Appeal

### A. Suspension and termination

NEH may suspend or terminate awards in whole or in part if:

- an SHC materially fails to comply with the terms and conditions of an award;
- an award no longer effectuates the agency's needs and priorities;
- an SHC violates NEH's [Research Misconduct Policy](#);
- an SHC or subrecipient is in violation of the requirement in paragraph (g) of Section 106 of the Trafficking Victims Protection Act of 2000 (TVPA) as amended ([22 U.S.C. § 7104\(g\)](#)). Termination may occur as described in [2 CFR Part 175](#)—Award Term for Trafficking in Persons;
- NEH and the SHC mutually determine that the award should be terminated, in which case the two parties should agree upon the termination conditions, including the effective date and, in the case of partial termination, the portion of the project to be terminated; or
- NEH has other reasonable cause.

The SHC may also voluntarily surrender the award by providing NEH with written notification explaining the reasons for such termination, the effective date, and, in the case of partial termination, the portion of the project to be terminated. However, if NEH determines that the reduced or modified portion of the award will not accomplish the purposes for which the award was made, it may terminate the award in its entirety either unilaterally or with the consent of the SHC.

Generally, NEH will terminate an award only after notifying the SHC of the deficiency and giving the SHC sufficient time to correct it; however, this does not preclude immediate suspension or termination when such action is required to protect the interests of the federal government.

In the event that NEH suspends an award and the SHC does not take corrective action within 90 days of the effective date, NEH may issue a notice of termination. NEH will not allow costs incurred during the suspension period or after the effective date of termination, except those specifically authorized by the

suspension or termination notice or those that, in the opinion of NEH, could not have been reasonably avoided ([2 CFR § 200.472](#)).

Within 30 calendar days of the termination date, the SHC must provide NEH with a summary of progress achieved under the award, an itemized accounting of charges incurred against award funds and cost sharing prior to the effective date of the termination, and a separate accounting and justification for any costs that it incurred after the termination date.

## B. Termination appeal procedures

An SHC may appeal an NEH termination action. The IGA must submit the request through eGMS Reach no later than 30 calendar days after the date of the termination notice and should address it to the Senior Deputy Chair, National Endowment for the Humanities.

The request for review must contain a full statement of the SHC's position, the pertinent facts, and reasons that support the SHC's position. OGM will promptly acknowledge the request and forward it to the NEH Senior Deputy Chair, who will consult with the program office, OGM, and the Office of General Counsel.

Pending resolution, the notice of termination will remain in effect.

OGM Management will send the SHC a Notice of Action with the Senior Deputy Chair's final administrative decision through eGMS Reach. This administrative decision is final and cannot be appealed.

# XIV. Reporting Misconduct, Fraud, Waste, and Abuse

## A. Research misconduct

Research misconduct is defined as fabrication, falsification, or plagiarism in proposing, performing, or reviewing research or in reporting research results. Recipients are responsible for the prevention and detection of research misconduct and for the inquiry, investigation, and adjudication of research misconduct alleged to have occurred in association with its own institution.

In accordance with NEH's [Research Misconduct Policy](#), NEH may proceed with its own inquiry or investigation into research misconduct at any time. NEH may also take interim action during an investigation. However, in most cases, NEH's OIG will refer an allegation to the recipient and will rely on them to make the initial response. NEH may elect not to defer to the recipient in various circumstances, for example when:

- NEH determines that the recipient is not prepared to handle the allegation in a manner consistent with this policy;
- NEH involvement is needed to protect the public interest; or
- the allegation involves an entity of sufficiently small size that it cannot reasonably conduct the investigation itself.

If the SHC is the first to become aware of an allegation that meets the definition of research misconduct, the recipient must notify NEH if they determine that there is sufficient evidence to proceed to an investigation.

At any time during an inquiry or investigation, the recipient must immediately notify NEH's OIG if:

- NEH resources or interests are threatened;
- public health or safety is at risk;
- research activities should be suspended;
- there is reasonable indication of possible violations of civil or criminal law;
- federal action is required to protect the interests of those involved in the investigation;
- the recipient believes the inquiry or investigation may be made public prematurely and that appropriate steps need be taken to safeguard evidence and protect the rights of those involved; and/or
- the research community or public should be informed.

NEH will make a finding of misconduct and act on such a finding only after careful inquiry and investigation by a recipient, another federal agency, or NEH. In the event of a finding of research misconduct, NEH will determine appropriate administrative actions, which may include:

- steps to correct the research record;
- letters of reprimand;
- the imposition of special certification or assurance requirements to ensure compliance with applicable regulations or the terms and conditions of an award;
- suspension or termination of an active award; or
- suspension and debarment in accordance with applicable NEH and government-wide rules on suspension and debarment ([Section XIII](#)). NEH will make suspensions and debarments publicly available through [SAM](#).

If NEH's OIG believes that criminal or civil fraud violations may have occurred, it will promptly notify the Department of Justice.

## B. Mandatory disclosures: fraud, waste, and abuse

Per [2 CFR § 200.113](#), the SHC and its subrecipients must disclose, in a timely manner and in writing to NEH or the pass-through entity, all violations of federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the federal award. Recipients who have more than \$10,000,000 in federal funds from active grants, cooperative agreements, and procurement contracts must report certain civil, criminal, or administrative proceedings to [SAM](#), in accordance with [Appendix XII to 2 CFR Part 200](#). Failure to make required disclosures can result in any of the noncompliance remedies described in [2 CFR § 200.339](#).

Written disclosures should be sent to NEH's OIG:

Office of Inspector General  
National Endowment for the Humanities  
400 7th Street, SW  
Washington, DC 20506

Recipients may also contact the OIG through e-mail ([oig@neh.gov](mailto:oig@neh.gov)), by phone (1 (877) 786-7598), or through the [OIG Hotline Form](#).

# Appendix A: Guidance for Awarding, Monitoring, and Reporting SO Subawards

This guidance is for State and Jurisdictional Humanities Councils (SHC) regarding their responsibilities as pass-through entities when issuing subawards under program services, SHC-conducted projects, and regrants. While not exhaustive, it addresses several areas of concern related to managing subrecipients. For comprehensive guidance, refer to [2 CFR Part 200](#) and the terms and conditions of award.

## What are recipients, pass-through entities, subrecipients, and subawards?

SHCs may issue subawards under council-conducted projects, program services, and public meetings, and/or regrants.

An SHC is considered a recipient, that is, an entity that receives a federal award directly from a federal agency to carry out an activity under a federal program. Sometimes a recipient may want to provide some of this funding to another entity to carry out a portion of the scope of work or objectives of the federal award. A subrecipient is an entity that receives a subaward from a recipient, also known as a pass-through entity.

The terms recipient and pass-through entity are used interchangeably throughout this guidance.

Only organizations can be subrecipients.

Issuing subawards and managing subrecipients is a significant responsibility and requires careful planning. The pass-through entity must comply with federal regulations when making a subaward. It is responsible for monitoring programmatic progress, ensuring compliance with federal regulations and the terms and conditions of the award, issuing payments, reviewing requests, issuing approvals, reviewing reports, and ensuring that subrecipients complete closeout activities.

## Legal responsibilities of pass-through entities

NEH generally has a legal and financial relationship only with its recipients, not subrecipients of NEH awards. Recipients are legally responsible for meeting the terms and conditions of their awards and ensuring that activities conducted by their organization and subrecipients comply with all federal regulations. For each subaward, the pass-through entity must prepare a subaward agreement, a written legal document with the negotiated terms for programmatic, administrative, financial, and reporting requirements. Pass-through entities must communicate required expectations and responsibilities to their subrecipients and monitor them to ensure compliance with requirements ([2 CFR Part 200](#) and the terms and conditions of award) and achievement of performance goals.

With few exceptions, requirements that apply to a pass-through entity also apply to its subrecipients. A pass-through entity must ensure that its subrecipients comply with the applicable federal and grant requirements and that all costs are allowable, allocable, reasonable, and necessary.

## Subawards versus contracts

Per the definitions in [2 CFR § 200.1](#), a subaward is an award provided by a pass-through entity to a subrecipient for the subrecipient to carry out part of a federal award received by the pass-through entity. A contract is a legal instrument by which a non-federal entity purchases goods or services needed to carry out the project or program under a federal award.

Recipients may incorporate subrecipient requirements through subaward agreements or contracts. The substance of the relationship is more important than the form of the agreement.

[2 CFR § 200.331](#) provides guidance on the characteristics of subawards versus contracts.

A subrecipient:

- may be selected competitively or noncompetitively;
- is responsible for programmatic decision making;
- uses the federal funds to carry out a program for a public purpose specified in authorizing statute, in accordance with its award;
- has its performance measured in relation to whether objectives of a federal program were met; and/or
- must adhere to applicable federal program compliance requirements specified in the federal award.

A contractor:

- provides goods or services that contribute and support the operation of the federal program;
- provides goods and services typically available to many different purchasers within a competitive market, and delivers them within normal business operations;
- has its performance measured against the requirements of its contract; or
- is not subject to federal program compliance requirements because of the contract, though similar requirements may apply for other reasons.

Recipients must document how (sole source or competitive) and why a subrecipient is selected.

## Roles and responsibilities: NEH, pass-through entities, and subrecipients

Federal regulation and policy establish roles and responsibilities for NEH, pass-through entities, and subrecipients, including ways to prevent fraud, waste, and abuse and ensure programmatic integrity. Recipients should consider the following responsibilities when drafting subrecipient agreements.

NEH Responsibilities	Pass-through entity Responsibilities	Subrecipient Responsibilities
Ensure proper internal controls and oversight of pass-through entities to prevent and detect fraud, waste, and abuse.	Establish and maintain effective internal control over the award funds and subrecipient oversight.	Establish and maintain effective internal control over the subaward.

Verify recipient eligibility.	Verify subrecipient eligibility.	Maintain and provide relevant documentation to substantiate eligibility claims.
Ensure pass-through entities are not suspended or debarred and that they comply with all award requirements.	Ensure subrecipients are not suspended or debarred and that they comply with all award requirements.	Ensure contractors are not suspended or debarred.
Conduct risk assessments of the pass-through entities prior to making awards and continue to monitor risk throughout the period of performance.	Conduct risk assessments of the subrecipients prior to making awards and continue to monitor risk throughout the period of performance.	Monitor internal controls to ensure risk is minimized.
Monitor pass-through entities to ensure compliance with federal statutes, regulations, and the terms and conditions of the award.	Monitor subrecipients to ensure that the subaward is used for authorized purposes in compliance with federal statutes, regulations, and the terms and conditions of the subaward, and that subaward performance goals are achieved. In addition to required reporting, pass-through entities may require periodic financial and programmatic reports, site visits, and reviews of subrecipients' audit reports.	Monitor contractor activities to ensure compliance with applicable federal requirements. Comply with relevant federal regulations for procurement under grants.
Review pass-through entity performance and financial reports against proposed activities and approved budget. Close out projects.	Certify that all costs are associated with the approved scope of work and that the subrecipient completed all work in accordance with federal statutes, regulations, and the terms and conditions of the subaward. Certify project as complete.	Complete all work in accordance with federal regulations and NEH policies.
Take appropriate action to remedy noncompliance with the pass-through entity.	Identify instances of subrecipient noncompliance and take prompt action.	Promptly remedy instances of noncompliance when they are identified.
Identify disallowed costs and recover funds from the pass-through entity, if necessary.	Ensure subrecipients are aware of their responsibility to repay duplicate funding. Identify and recover funds for unallowable costs, unexpended funds, and funds expended in error or	Repay improper payments or overpayments.

	through misrepresentation or fraud. Repay improper payments or overpayments.	
Remind pass-through entities expending \$1,000,000 or more in federal awards during their fiscal year to conduct a Single Audit per <a href="#">2 CFR Part 200, Subpart F</a> .	Conduct a Single Audit when expending \$1,000,000 or more in federal funds in their fiscal year.  Remind subrecipients expending \$1,000,000 or more in federal awards during their fiscal year to conduct a Single Audit per <a href="#">2 CFR Part 200, Subpart F</a> .	Conduct a Single Audit when expending \$1,000,000 or more in federal funds in their fiscal year per <a href="#">2 CFR Part 200, Subpart F</a> .
Issue management decisions regarding audit findings related to the pass-through entity within six months of the audit report's release.	Issue management decisions regarding audit findings related to the subaward within six months of the audit report's release.	Resolve management decisions relating to the program's audit.
Report suspected fraud and cooperate with investigations.	Report suspected fraud and cooperate with investigations.	Report suspected fraud and cooperate with investigations.

## Pre-award and award requirements

Pass-through entities must ensure subrecipients comply with applicable regulatory requirements to protect federal funds over the life of the subaward.

### *Internal controls*

In accordance with [2 CFR § 200.303](#), pass-through entities and subrecipients must have written internal control policies and procedures in place to manage their awards and protect federal funds. These policies must address the effectiveness of operations; reliability of reporting; and compliance with applicable federal statutes, regulations, and the terms and conditions of the award.

Administrative and financial management systems provide internal controls and help the organization prepare reports required by the terms and conditions of the award or subaward. The systems must be capable of tracking grant funds to establish that the funds have been used according to federal statutes, regulations, and the terms and conditions of the award. Internal controls must enable pass-through entities and subrecipients to evaluate and monitor compliance and take prompt action when instances of noncompliance are identified, including audit findings.

Internal controls should comply with guidance in [Standards for Internal Control in the Federal Government](#), issued by the Comptroller General of the United States, or the [Internal Control Integrated Framework](#), issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

## *Unique Entity Identifier*

Per [2 CFR § 25.300](#), recipients may only issue subawards with federal funds to organizations that have obtained and provided to the recipient a UEI. Subrecipients must obtain a UEI from [SAM](#) but are not required to complete registration. Pass-through entities are responsible for improper payments to ineligible subrecipients without a valid UEI.

Prior to issuing a subaward, pass-through entities must check SAM to verify the UEI assigned to the prospective subrecipient, that their status is current, and that they do not have delinquent federal debt. Pass-through entities cannot issue a subaward or payments to a subrecipient with an expired status in SAM or with federal debt until that debt is resolved.

## *Budget review*

Pass-through entities must review subrecipients' budgets to ensure compliance with the cost principles in [2 CFR Part 200, Subpart E](#) and any terms and conditions. Pass-through entities are responsible for repayment of disallowed costs. If applicable, a pass-through entity must honor a subrecipient's federally negotiated indirect cost rate.

## *Overlapping costs*

Per [2 CFR § 200.403\(f\)](#), overlapping project costs between two or more approved federal award budgets is not permitted. Pass-through entities must ensure that subrecipients do not duplicate or overlap activities and related costs on other federal awards. Overlap may be:

- programmatic, where the scope or activities of the project are similar to other current or expired awards;
- budgetary, where requested costs (e.g., salary, equipment) are already provided by another award; and/or
- effort-related, where an individual's time exceeds 100% across multiple active awards, regardless of whether salary is requested.

Pass-through entities should review [USASpending.gov](#) to avoid overlapping costs across federal awards.

## *Debarment and suspension*

Prior to issuing a subaward, a pass-through entity must ensure subrecipients have not been debarred or suspended by any federal agency. See [2 CFR Parts 180](#) and [3369](#).

## *Delinquent debt*

Subrecipients may not be delinquent on repayment of federal debt and must not receive funds until federal debts are cleared. Examples include delinquent federal taxes, delinquent payroll taxes, and benefit overpayments. See [OMB Circular A-129](#).



## *Responsibility/Qualifications records*

[SAM](#) is a database that contains information to support award decisions as required by the [FAR](#), including past performance information and criminal, civil, and administrative proceedings.

Before issuing a subaward, a pass-through entity must assess the level of risk and institutional integrity of its subrecipients. Pass-through entities must review [Responsibility/Qualifications records](#) to assess the prospective subrecipient's integrity, business ethics, and past performance to determine the risk associated with the subrecipient and whether to proceed with a subaward.

## *Managing risk*

Consistent with [2 CFR § 200.332\(c\)](#), pass-through entities must complete a risk assessment for each subrecipient to evaluate its potential for noncompliance with federal statutes, regulations, and the terms and conditions of the subaward. The risk assessment provides the framework by which pass-through entities can mitigate potential risks and determine the appropriate level of subrecipient monitoring.

Pass-through entities should evaluate risk factors such as:

- the subrecipient's prior experience with the same or similar subawards and/or experience managing direct federal awards;
- the results of [previous audits](#), including if the subrecipient received a Single Audit in accordance with [2 CFR Part 200, Subpart F](#), and the extent to which the same or similar subaward has been audited as a major program (see [2 CFR § 200.518](#)); and
- recent substantive changes, such as new personnel or modifications to financial and accounting systems.

Pass-through entities may identify additional risk evaluation criteria beyond those included in [2 CFR § 200.332\(c\)](#).

Pass-through entities must document their risk assessment policies and procedures, as well as risk reviews for each subrecipient.

Based upon the results of pre-award risk assessment and subsequent subrecipient performance, pass-through entities may impose specific subaward conditions identified in [2 CFR § 200.208\(b-c\)](#), as appropriate. Pass-through entities should tailor subaward conditions appropriate to the designated risk level. Pass-through entities may include additional subaward conditions, such as:

- requiring reimbursements rather than advance payments;
- withholding authority to proceed with their project until there is evidence of acceptable performance;
- requiring more frequent and more detailed financial reports;
- requiring additional project monitoring;
- requiring the subrecipient to obtain technical or management assistance; and/or
- establishing additional prior approvals

Pass-through entities must notify subrecipients if they impose specific subaward conditions, including:

- the nature of the additional requirement(s);
- the reason(s) why the additional requirements are being imposed;

- the nature of the action(s) needed to remove the additional requirements, if applicable;
- the time allowed for completing the action(s), if applicable; and
- the method for requesting reconsideration of the additional requirement(s).

Pass-through entities must promptly remove specific subaward conditions once subrecipients have resolved the issue(s).

### *Subaward requirements*

Per [2 CFR § 200.332](#), pass-through entities must ensure that subaward agreements include the following required information.

<b>Required Information</b>
1. Federal Award Identification:
<ul style="list-style-type: none"> <li>• Subrecipient name (the legal name associated with its UEI)</li> </ul>
<ul style="list-style-type: none"> <li>• Subrecipient's UEI</li> </ul>
<ul style="list-style-type: none"> <li>• FAIN</li> </ul>
<ul style="list-style-type: none"> <li>• Date NEH issued the award to the pass-through entity</li> </ul>
<ul style="list-style-type: none"> <li>• Subaward period of performance start and end date</li> </ul>
<ul style="list-style-type: none"> <li>• Amount of federal funds obligated by this action by the pass-through entity to the subrecipient</li> </ul>
<ul style="list-style-type: none"> <li>• Total amount of federal funds obligated to the subrecipient, including the current obligation</li> </ul>
<ul style="list-style-type: none"> <li>• Total amount of the federal award committed to the subrecipient</li> </ul>
<ul style="list-style-type: none"> <li>• Federal award project description, as required by FFATA</li> </ul>
<ul style="list-style-type: none"> <li>• Name of federal agency (NEH), pass-through entity, and contact information for the awarding official of the pass-through entity</li> </ul>
<ul style="list-style-type: none"> <li>• Assistance Listings program title and number; the pass-through entity must identify the dollar amount made available under each federal award and the Assistance Listings number at time of disbursement</li> </ul>
<ul style="list-style-type: none"> <li>• Identification that the subaward is not for research and development</li> </ul>
<ul style="list-style-type: none"> <li>• Indirect cost rate for the subaward (including if the de minimis rate is charged), if applicable</li> </ul>

2. All requirements of the subaward, including requirements imposed by federal statutes, regulations, and the terms and conditions of the federal award.
3. Any additional requirements that the pass-through entity imposes on the subrecipient for it to meet its award responsibility to NEH, including identification of any required financial and performance reports.
4. An approved federally recognized indirect cost rate negotiated between the subrecipient and the federal government or, if no such rate exists, either a rate negotiated between the pass-through entity and the subrecipient (in compliance with federal regulations) or the de minimis indirect cost rate per <a href="#">2 CFR § 200.414(f)</a> .
5. A requirement that the subrecipient permits the pass-through entity, NEH, and auditors to have access to the subrecipient's records and financial statements as necessary for the pass-through to meet the requirements of this part.
6. Appropriate terms and conditions concerning closeout of the subaward.

If information in the subaward agreement changes, recipients must ensure that the changes are included in subsequent subaward modifications.

If some of the information above is not available, recipients must provide the best information available to describe the federal award and subaward.

### *Flow down requirements and cost principles*

[2 CFR § 200.101](#) identifies the following sections of 2 CFR Part 200 that flow down from pass-through entities to subrecipients:

- [Subpart A—Acronyms and Definitions](#)
- [Subpart B—General Provisions](#), except for [§§ 200.111](#) (English Language), [200.112](#) (Conflict of Interest), and [200.113](#) (Mandatory Disclosures)
- [Subpart C—Pre-Federal Award Requirements and Contents of Federal Awards](#), except for [§ 200.203\(a\)](#) (Requirement to provide public notice of federal financial assistance programs)
- [Subpart D—Post-Award Federal Requirements](#)
- [Subpart E—Cost Principles](#)
- [Subpart F—Audit Requirements](#)

Pass-through entities must ensure that subrecipients comply with [2 CFR Part 200, Subpart E](#). The cost principles establish standards for the allowability of costs and provide detailed guidance on the treatment of costs as direct or indirect costs.

The cost principles establish four main guidelines for determining whether costs can be charged to an award:

- A cost is **allowable** if it is permitted under [2 CFR Part 200, Subpart E](#) and the terms and conditions of the award.
- A cost is **allocable** to an award if the cost is assignable to the federal award in accordance with the relative benefits received.
- A cost is considered **reasonable** if it does not exceed an amount that a prudent person would incur under the circumstances prevailing when the decision was made to incur the cost.
- A cost is **necessary** if it is required for the performance or administration of the award.

All costs incurred for the same purpose and similar circumstances must be **treated consistently** either as direct costs or as indirect costs.

## Subrecipient monitoring, recordkeeping, and audits

### *Subrecipient monitoring*

Pass-through entities must monitor subrecipients' expenditures and programmatic progress to ensure they use subawards for authorized purposes; comply with federal statutes, regulations, and the terms and conditions of the subaward; and achieve performance goals. Pass-through entities must have written subrecipient monitoring policies and procedures and ensure that subrecipients track, appropriately use, and report program income generated by the subaward.

Monitoring occurs throughout the lifecycle of the subaward. At a minimum, [2 CFR § 200.332\(e\)](#) requires pass-through entities to monitor subrecipients by:

- reviewing financial and performance reports;
- ensuring subrecipients take corrective action on all significant developments that negatively affect the subaward, including Single Audit findings related to the subaward, other audit findings, site visits, and written notifications from a subrecipient of adverse conditions which will impact their ability to meet the milestones or objectives of a subaward;
- issuing a management decision for audit findings related to the subaward as required by [2 CFR § 200.521](#); and
- resolving audit findings related to the subaward.

In addition, pass-through entities may consider the following monitoring activities:

- providing subrecipients with training and technical assistance on program-related matters;
- performing site visits to review the subrecipient's program operations; and
- arranging for agreed-upon-procedures engagements as described in [2 CFR § 200.425](#).

### *FFATA requirements*

FFATA is intended to reduce wasteful government spending by making information about federal awards and subawards publicly available online.

For each cumulative subaward of \$30,000 or more, a pass-through entity must report subaward data to the [FSRS](#) by the end of the month following the month in which they issued the subaward.

## Recordkeeping

Accurate recordkeeping and reporting are crucial to the successful management of NEH-funded activities. Without adequate recordkeeping, pass-through entities and subrecipients cannot track performance and maintain oversight. Failure to maintain adequate documentation and support for award and subaward expenditures may result in audit findings, disallowance of unallowable costs, and repayment of NEH funds.

Pass-through entities and subrecipients must follow the record retention and access requirements at [2 CFR §§ 200.334–338](#). They must retain records for a period of three years from the date of submission of the final expenditure report unless otherwise noted in [2 CFR § 200.334](#).

## Audit requirements

Pass-through entities and subrecipients that expend \$1,000,000 or more in federal funds from all sources during their fiscal year are subject to single audits. The audits must meet the requirements of the Single Audit Act Amendments of 1996 ([31 U.S.C. § 7501–7507](#)), as implemented by [2 CFR Part 200, Subpart F](#).

Pass-through entities must notify subrecipients that meet the expenditure requirements to conduct a single audit and must issue a management decision regarding audit findings related to the subaward within six months of the audit report's release. The single audit must include the entity's financial statements related to its federal awards.

## Addressing subrecipient noncompliance

A pass-through entity may determine that a subrecipient that fails to perform in accordance with the terms and conditions of its subaward is noncompliant. Examples of noncompliance include making unallowable expenditures, failure to submit required reports, failure to request prior approval for changes to the subaward, or failure to execute the project in accordance with the approved work plan.

If a subrecipient is noncompliant and that noncompliance cannot be remedied by imposing additional conditions, the pass-through entity may take the following enforcement actions, as appropriate:

- temporarily withholding cash payments;
- disallowing costs associated with the activity or action in noncompliance;
- requiring repayment of award funds;
- suspending or terminating the subaward as described in [2 CFR § 200.339](#) and [§ 200.340](#); and/or
- recommending suspension or debarment of the subrecipient to NEH.

## Audit findings

If a subrecipient has audit findings related to the subaward, the pass-through entity must issue management decisions within six months of the audit report's release. See [2 CFR Part 200, Subpart F](#).

## Reporting subrecipient noncompliance

As required by [2 CFR Part 200, Appendix XII](#), recipients must disclose in the [Responsibility/Qualifications records](#) any information about criminal, civil, and administrative proceedings, and/or affirm that there is

no new information to provide. This applies to subrecipients that have active grants, cooperative agreements, and procurement contracts greater than \$10,000,000 during the period of performance of an award.

### *Report fraud, waste, and abuse*

Help NEH eliminate fraud and improve management by providing information to [NEH's OIG](#) about allegations or suspicions of waste, fraud, abuse, mismanagement, research misconduct (fabrication, falsification, plagiarism), or unnecessary government expenditures during a subaward's period of performance.

## Administrative terms that apply to subrecipients (council-conducted activities and regrants)

The following are NEH terms that flow down from the SHC to subrecipients.

### *1. Payments*

SHCs are to pay their subrecipients on an advance basis, provided the subrecipients' financial management systems meet the standards for internal controls (see [2 CFR § 200.305](#)).

Subrecipients must be authorized to submit requests for advance payments and reimbursements at least monthly when electronic fund transfers are not used, and as often as they like when electronic transfers are used, in accordance with the provisions of the Electronic Fund Transfer Act ([15 U.S.C. § 1693-1693r](#)).

SHCs may withhold a small amount of a subaward (not more than 10 percent) if this is the only way to ensure the timely submission of final reports from the subrecipient. SHCs should take care that this delay in funding does not jeopardize the project or cause financial hardship for the subrecipient. Final payment should be made promptly once the required reports are received.

### *2. Interest earned on advances*

Subrecipients are required to maintain advances of federal funds in interest-bearing accounts unless they receive less than \$250,000 in federal awards during their fiscal year. If a subrecipient chooses to deposit these funds in an interest-bearing account, it may retain the first \$500 in interest earned each fiscal year. Interest earned in excess of this amount on funds advanced by an SHC must be forwarded to the SHC and returned to the Department of Health and Human Services, as detailed in [2 CFR § 200.305\(b\)\(12\)](#).

### *3. Program changes*

All changes in the scope or the objectives of a project, the PD, or the duration of the project must be approved in writing by SHCs. SHCs may also require that their approval be obtained before a subrecipient may subcontract or transfer substantive project work (see [2 CFR § 200.308](#)).

#### 4. Budget changes

SHCs may require subrecipients to seek prior approval for budget changes that involve the addition or deletion of budget items, the inclusion of costs that were specifically disallowed by the terms and conditions of the award, the transfer of funds allotted for training purposes (e.g., participant stipends), and the transfer of funds that were budgeted for direct costs to indirect costs (see [2 CFR § 200.308](#)).

#### 5. Reporting requirements

SHCs may not require the submission of performance or financial reports more frequently than quarterly. Subrecipients have 30 days following the reporting period to submit interim reports, if applicable, and 120 days from the completion date of the subaward period of performance to submit final reports. See [2 CFR §§ 200.328–.329](#).

#### 6. Program income

SHCs must stipulate one of the following approaches to program income in their subaward agreements:

- Addition: Program income may be added to the existing project funding to cover otherwise allowable costs or it may be used to support other projects in the humanities.
- Deduction: Program income may be used to finance the federal share of the project costs, which would result in an equivalent reduction in the amount of the subaward.
- Cost sharing or matching: Program income may be used to meet the cost sharing or matching requirement of the NEH award.

Unless the SHC specifies a particular approach, the subrecipient must use the deduction method, thereby reducing the award amount ([2 CFR § 200.307\(b\)](#)).

#### 7. Suspension and termination procedures

SHC procedures for the suspension and termination of subawards and the review of termination actions should follow [2 CFR §§ 200.340–343](#) and be included in the terms and conditions of a subaward. See [2 CFR § 200.332\(b\)](#) for information to be included in each subaward.

#### 8. Other SHC terms and conditions that flow down to subawards

- III.D. Liability
- III.E. Fiscal agents
- III.F. Duplication of benefits
- III.H. Acknowledgement of support and disclaimer
- III.I. Providing access to NEH-funded products
- III.J. Protecting personal information
- IV.A. System for Award Management
- IV.B. Debarment and Suspension
- IV.C. Lobbying activities
- IV.D. Political and social advocacy
- IV.E. Obscene and libelous content

- IV.F. Code of ethics for projects related to Native Americans
- IV.G. Employment of professional performers
- IV.H. Title VI of the Civil Rights Act of 1964
- IV.I. Title IX of the Education Amendments of 1972
- IV.J. Section 504 of the Rehabilitation Act of 1973
- IV.K. The Age Discrimination Act of 1975
- IV.L. Drug-free workplace requirements
- IV.M. The Americans with Disabilities Act of 1990 (ADA)
- IV.N. Prohibition on certain telecommunications and video surveillance equipment or services
- IV.O. Activities outside the United States
- IV.P. U.S. Constitution Day education programs
- IV.Q. Executive Order 13798 ("Promoting Free Speech and Religious Liberty")
- IV.R. Prohibition on providing federal funds to ACORN and its subsidiaries
- IV.S. Davis-Bacon Act and related labor requirements
- IV.T. Section 106 of the National Historic Preservation Act of 1966
- IV.U. Native American Graves Protection and Repatriation Act of 1990
- VI.A. Allowable costs
- VI.D. Cost sharing requirement
- VI.F. Valuation of third party in-kind contributions
- VI.G. Program income
- VI.H. Subawards
- VI.J. Depreciation or use fees, routine maintenance administration and repair
- VI.K. Procurement standards
- VI.L. Equipment
- VI.M. Supplies
- VI.N. Real property acquisition, construction, renovation, and repair
- VI.O. Travel costs
- VI.P. Food and alcohol
- VI.Q. Dependent care
- VI.R. Indirect costs (subawards)
- VII.B. Budget revisions
- VII.C. Ground disturbing activities
- IX.A. Federal Funding Accountability and Transparency Action reporting
- X.A. Financial management standards
- X.B. Audit requirements
- X.C. Record retention
- XI.A. Title to equipment and real property
- XI.B. Intangible property
- XI.C. Copyright information
- XII.A. Data collection
- XII.B. Dissemination of project results



- XIV.A. Research misconduct
- XIV.B. Mandatory disclosures: fraud, waste and abuse
- Any other special terms and conditions identified by the SHC to the subrecipient in the Notice of Award.

## Resources

The following resources referenced throughout this guidance may assist pass-through entities with subrecipient monitoring and oversight:

- [2 CFR Part 200 - Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards](#)
- [SAM.gov](#)
- [IRS Tax Exempt Organization Search](#)
- [Federal Audit Clearinghouse](#)
- [SAM Responsibility / Qualification records](#)
- [USA Spending](#)
- [FSRS - Federal Funding Accountability and Transparency Act Subaward Reporting System](#)