

Guidance for Recipients of Terminated NEH Awards

NEH Office of Grant Management

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This guidance provides instructions for recipients whose awards to organizations have been terminated by the National Endowment for the Humanities (NEH). It does not apply to awards to individuals. This guidance covers the following topics:

1. reimbursement of allowable costs incurred during the period of performance
2. requesting termination and closeout costs
3. title to equipment and supplies
4. instructions for payment requests
5. submission of final reports
6. submission deadlines
7. appeals

Please read the information carefully and follow the submission instructions outlined below.

1. Reimbursement of Allowable Costs Incurred During the Period of Performance

Recipients may request reimbursement for allowable and allocable costs incurred prior to the termination notice, provided such costs were incurred between the approved period of performance start date and prior to the date and time on the termination notification email. Reimbursement is subject to compliance with [2 CFR § 200.403–405](#) and the terms and conditions of the award.

Reimbursement costs must be:

- incurred during the approved period of performance start date and the date of award termination,
- adequately documented,
- consistent with the project's original scope and budget, and
- allowable, allocable, and reasonable under federal cost principles.

Requested costs must be included in the Voucher for Reimbursement of Costs Incurred.

a. Payment Requests for Costs Totaling more than \$50,000 Incurred Prior to the Award Termination Date (new as of May 16, 2025)

For requests over \$50,000, the recipient must submit proof that the costs were incurred before the date and time of the termination notification email. This documentation is required in addition to the completed Voucher for Reimbursement of Costs Incurred.

Acceptable forms of proof of costs incurred may include:

- Executed contracts or purchase orders dated before the termination notice
- Invoices showing services dates or delivery dates before the termination date
- Payroll records or timesheets showing hours worked before the termination date
- Travel receipts showing purchase dates and travel dates before the termination date
- Shipping or delivery confirmations showing receipt of goods before the termination date
- General ledger entries or transaction records with dates tied to the costs
- Correspondence with vendors or contractors confirming the date work was completed or services delivered
- Subrecipient invoices, dated deliverables, or agreements showing obligations before the termination date

The proof of costs document(s) should be submitted as one single PDF with your payment request.

b. Awards with Required Match Certification (not applicable to State Humanities Councils)

Awards requiring NEH certification of 3rd party nonfederal funds may submit a final gift certification. NEH may provide matching funds to the recipient to claim payment for final allowable costs incurred during the period of performance, or for allowable termination and closeout costs.

Recipients securing gifts prior to the termination date but did not submit the gift certification form, have 30 days to submit a final gift certification form (Challenge Financial or Federal Matching Report) and any supporting documentation, if required. The final gift certification must be submitted in the eGMS Reach Reports section for your award. You may only certify cash gifts, and all prior pledges must be realized.

2. Requesting Termination and Closeout Costs

Termination costs are those incurred as a direct result of the termination and must be necessary and reasonable to ensure an orderly shut-down of award activities. All requested termination costs are subject to NEH review and approval and must comply with the requirements outlined in [2 CFR § 200.472\(a\)\(1\)-\(6\) and \(b\)](#).

NEH cannot pay more than the amount authorized under your award. Please see below for supplemental NEH guidance on termination and closeout costs described at 2 CFR § 200.472:

Termination Costs

(a)(1) Common Use Items

Recipients may not charge the award for items that could reasonably be repurposed or used elsewhere, unless retaining them would cause a financial loss.

If the item is a common use item (i.e. computers, software, office supplies, furniture, etc.), the recipient must provide a statement as to why it cannot be reasonably used on another project or activity.

If retaining the item causes a financial loss, the recipient must submit evidence that the organization will lose money by retaining it. Evidence could include a supplier return policy, inventory or disposal costs, depreciation loss, or resale market analysis.

(a)(2) Unavoidable Continued Costs

Recipients cannot charge the award for costs that could have been stopped with proper planning and effort. NEH does not expect recipients to immediately halt all spending on the exact date of the termination; however, recipients are expected to make efforts to stop incurring costs.

Reasonable, unavoidable costs must meet the following criteria:

1. a good faith effort to stop the cost,
2. the cost was not the result of negligence or poor planning, and
3. the duration and amount of the cost is reasonable.

The supporting justification and documentation should include:

- an explanation of why the cost could not be eliminated or reduced,
- the timeline of actions taken to discontinue the cost,
- communications with the vendor,
- copies of cancellation requests, and/or
- contracts or terms explaining minimum billing or penalties.

(a)(3) Special Tooling, Machinery, and Equipment

No additional guidance.

(a)(4) Leases

Rental costs that were reasonably necessary for the performance of the terminated federal award may be an allowable termination cost. Supporting documentation must include:

- A copy of the lease agreement, clearly identifying the start and end dates, monthly rental amount, and cancellation terms.
- Documentation of attempts to mitigate costs such as copies of efforts to cancel the lease, notices to sublet, or a justification to use of space for other purposes.
- The recipient must include its calculation and rationale for the claimed amount. Please note that if the space is used for other federal grants or purposes, the recipient must reduce the claimed rent by that value. If claiming full rent reimbursement, the recipient must explain why the residual value is \$0 or minimal.

(a)(5) Settlement Expenses

Recipients and subrecipients may charge certain professional and administrative costs incurred to:

1. Prepare and present settlement claims to NEH (or to the pass-through entity)
 - a. Allowable costs include staff time for:
 - i. Obtaining and compiling documentation
 - ii. Preparing justifications
 - iii. Completing NEH-required voucher forms
 - b. The following costs are not permitted:
 - i. Legal costs for appealing a termination or litigation
 - ii. Lobbying, fundraising, public relations related to the termination
 - iii. Costs for programs or activities outside the approved scope of work
2. Terminate and settle subawards
 - a. Allowable costs include
 - i. Legal review of subaward terminations
 - ii. Drafting subaward termination letters
 - iii. Calculating subaward amounts owed or penalties
 - iv. Administrative time for processing subaward final reports
3. For storage, transportation, protection, and disposition of property acquired or produced for the federal award. Refer to [2 CFR § 200.1](#) for the definition of property.

The recipient must provide supporting documentation which may include staff time, fee documentation, and invoices.

(a)(6) Subawards

The recipient (or subrecipient) may request reimbursement under subawards or contracts for the allocable portion of a settlement that relates to the terminated federal award and the appropriate share of indirect costs.

The recipient must clearly identify the portion of the claim relevant to the terminated award. Examples of allocable costs may include:

- Final invoice for services or items procured under the approved scope of work
- Termination penalties incurred due to the cancellation of the legal agreement between the recipient and subrecipient or contractor.

In limited circumstances, the incurrence of termination costs may extend beyond the submission of the Final FFR. NEH may provide approval for a one-time payment before the award is closed.

Closeout Costs

Administrative costs associated with the closeout of the terminated award are allowable.

(b) Closeout Costs

The recipient and subrecipient may charge the federal award during the closeout for necessary administrative costs. These costs may include salaries of personnel preparing final reports (Final FFR and SF-428, if required), audit preparation, accounting and financial documentation, costs associated with disposition of equipment and property, and related indirect costs. For salaries and wages, the recipient must provide a description of the duties and time required. For indirect costs associated with closeout activities, the recipient must provide a calculation (base and the same approved rate at time of award).

NEH will not permit costs associated with:

- ongoing programmatic work,
- publication and printing beyond the termination date,
- preparation of final performance reports, which are not required following this award termination,
- public relations, fundraising, lobbying,
- indirect costs calculated on unallowable costs, and
- duplicative costs such as charging indirect costs and direct administrative time for closeout activities.

All closeout costs must be incurred prior to the Final FFR deadline.

Requested termination and closeout costs must be included in the Voucher for Requesting Termination Costs.

3. Title to Equipment and Supplies Acquired under a NEH Award

In accordance [§ 200.313 \(f\)](#), at the end of the award period of performance, recipients may retain equipment and supplies with no further obligation to the federal government. Title to equipment acquired under the federal award will vest in the recipient or subrecipient. Equipment means tangible personal property (including information technology systems) with a useful life of more than one year and a per-unit acquisition cost that equals or exceeds the lesser of the capitalization

level established by the recipient for financial statement purposes, or \$10,000 (see [2 CFR § 200.1](#) "Equipment").

In accordance with [§ 200.314](#), title to supplies acquired under the federal award will vest upon acquisition in the recipient, except for residual inventory of unused supplies (i.e. supplies that have not been used or opened) with an aggregate value exceeding \$10,000 that the recipient plans to sell. Supply means all tangible personal property other than equipment (see [2 CFR § 200.1](#), "Supplies").

In this situation, NEH is entitled to compensation using the following formula:

(% of NEH funds used to purchase the supplies) X (current market value or proceeds from the sale of the supplies) - (\$1,000).

The terms for equipment and supplies flow down from pass-through entities to subrecipients.

Reporting equipment

Recipients with an award term to submit a Tangible Personal Property Report (SF-428, 428B, and SF-428S) for equipment with a current fair market value of more than \$10,000 must still submit the report through eGMS Reach. If there is no equipment that meets the fair market value threshold, please notify NEH through eGMS Reach Messages so that we can waive the report.

4. Instructions for Payment Request Submissions

Requests for payment are a two-step process – first, requiring NEH prior approval of the costs, and second, submission of a payment request for the approved costs eGMS Reach. To receive payment for allowable costs, as outlined in this document:

Step 1: Request NEH review and approval of costs requested.

- a. Complete the following attached forms, as applicable:
 - i. Voucher for Reimbursement of Costs Incurred
 - ii. Voucher for Requesting Termination Costs
- b. Submit a single request that includes:
 - i. Completed voucher forms, as applicable, in Excel format
 - ii. Supporting documentation and justifications, as applicable (e.g. project ledger, invoices, receipts, inventory logs, correspondence with contractors – see sections 1 and 2 above)
- c. Use the following subject line:
 - i. [Your Grant Number] XX-XXXXX-XX Termination Payment Request
- d. Email the complete submission to TerminationClaims@neh.gov.

Your submission must include all requested costs under your award. NEH will not permit subsequent submissions.

Note: Incomplete or late submissions may result in delayed processing or disallowance of costs. Payment will be withheld if the award is subject to other outstanding payment alerts.

Step 2: Request payment of NEH-approved costs through eGMS Reach

Recipients will receive an email notification confirming the total amount of NEH-approved costs. Once notified, recipients must submit a payment request via eGMS Reach.

Reimbursements and cash advance requests must be submitted **separately**. For approved termination and closeout costs, NEH is waiving the cash advance requirement that payments be limited to the minimum amount needed and timed with immediate cash needs. Instead, recipients should request the full amount of NEH-approved termination costs (that are not a reimbursement), in a single cash advance payment request.

Recipients should not submit more than two total payment requests (one reimbursement, one cash advance, if necessary) per federal award through eGMS Reach.

5. Submission of Final Reports

Recipients must submit all final reports as required by the award terms, including:

- Final Federal Financial Report (FFR) (SF-425)
- Tangible Personal Property Report (TPPR) (SF-428)

Final reports must reflect only allowable expenditures and activities that occurred prior to the termination date. Final reports are due 120 days from the date of the termination notice. Recipients should not submit a final federal financial report until the final payment has been received.

Final performance reports are not required.

5. Submission Deadlines

Required Match Certification

A final gift certification form (Challenge Financial or Federal Matching Report) and any supporting documentation, if required, must be submitted no later than **May 29, 2025**.

Note: You may only certify cash gifts, and all prior pledges must be realized.

Submission: eGMS Reach Forms and Reports tab

Request for NEH review of reimbursement of costs incurred and termination costs

Payment request voucher(s), supporting documentation, and justifications must be submitted no later than **June 29, 2025**.

Note: Please do not rush to submit your request. NEH will only accept one complete submission per award for the review of reimbursement of costs incurred and termination and closeout costs, so we encourage you to take the time necessary to ensure your request is accurate and fully documented.

Payment requests for multiple awards must be submitted in separate emails.

Submission: TerminationClaims@neh.gov

Payment Requests through eGMS

After receiving an email notification confirming the approved payment amount, you should submit a payment request **within 5 business days**.

Note: You must submit separate requests for reimbursement and cash advance, if applicable. If the total funds requested differs from the total approved amount from TerminationClaims@neh.gov, the request will be denied.

Submission: eGMS Reach Payments tab. Instructions are available at: [Financial Reporting Requirements | National Endowment for the Humanities](#)

Final Reports

Final FFR and TPPR reports are due no later than 120 days from date of the notice of termination, **August 1, 2025**.

Note: the Final FFR should not be submitted until after NEH has issued final payments.

Submission: eGMS Reach Forms and Reports tab

6. Appeals

NEH is not offering a means of dispute resolution.

7. Questions

If you have questions or need clarification regarding this guidance, please contact grantmanagement@neh.gov. Due to staffing changes, do not contact the assigned grants management specialist or the assigned program officer listed in eGMS Reach for your award.

Please note: due to limited staffing capacity, NEH response times may be delayed. NEH appreciates your patience as we work to review submissions and process payments as efficiently as possible.