



NORTH CAROLINA
HUMANITIES
C O U N C I L

MANY STORIES, ONE PEOPLE

Financial Management of Grants

North Carolina Humanities Council
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INTRODUCTION

The North Carolina Humanities Council receives the majority of its funds from the National Endowment for the Humanities. These Congressionally appropriated funds to support humanities programs in North Carolina represent public monies whose management in a responsible manner is necessary for maintaining the public's trust. Your system of accounting need not be elaborate but it should ensure that funds are disbursed for the purpose outlined in the grant proposal and provide a record that can be easily audited.

Duties of Fiscal Agents. Fiscal agents have three major responsibilities: (1) disbursing Humanities Council funds and any cash match according to the approved budget and Humanities Councils "Grant Agreement"; (2) maintaining accounts and records of receipts and disbursements; and (3) submitting expenditure reports to the Humanities Council.

Project Cost Sharing. Congress has stipulated that all Humanities Council grant monies used in carrying out a humanities program be matched at least dollar-for-dollar by the grantee. Or, stated another way, the Humanities Council can fund up to half the cost of a project, with the sponsor/grantee or parties providing the remainder. The local matching portion may consist of either cash or in-kind contributions. The term "in-kind" refers to donations of services and goods, such as labor, space, or materials. The project director is responsible for monitoring and maintaining auditable records of all contributions used to match the Humanities Council's share of the project's cost (i.e., initialing in-kind contribution sheets signed by the individual contributors) and for providing this information to the fiscal agent at the conclusion of the project. The fiscal agent is required to show your project's matching contributions in-kind and cash on the final fiscal report. Following the conclusion of the project, records of in-kind contributions should be stored along with the fiscal agent's accounting records and retained for a period of three years.

This booklet explains how to receive your Humanities Council grant funds and how to set up your account book. Also, it presents eight guidelines to assist fiscal agents and project directors in managing funds granted by the Humanities Council.

If you have any further questions or concerns, please call our office: (336) 334-5325.

— The Humanities Council Staff

REQUESTING FUNDS AFTER A GRANT IS AWARDED

Cash Advance

The Humanities Council prefers to disburse grant funds by cash advance. A cash advance requires either an advance request form provided by the Humanities Council or a simple, brief letter to the Humanities Council's executive director from the fiscal agent or project director requesting funds. Sponsors may request funds as they need them, within the following limits:

1. Sponsors who anticipate expenses of up to \$5,000 over a three-month period may request up to \$5,000 in one advance. More funds will not be available until the three months have expired.
3. If project cash needs exceed \$5,000 for a three-month period, the Humanities Council will advance the sponsor enough to meet anticipated cash expenditures for thirty days at a time.
4. Gift-and-matching funds may not be requested until the Humanities Council receives the third-party gift and/or documentation that the sponsor has received a matchable gift.

A simple request for advance can be used only for the first disbursement of grant funds. Sponsors may request subsequent advances or reimbursement by submitting an interim fiscal report consisting of an expenditure report (green) and accompanying voucher (gold), which reports on how funds previously received have been spent.

Please allow three weeks
for the Humanities Council
to process your request for a cash
advance or reimbursement.

Reimbursement

Grantees who can pay project expenses with funds other than those advanced by the Humanities Council may obtain reimbursement whenever they wish by submitting interim fiscal reports. Grantees who choose to postpone reimbursement until the program is completed may receive reimbursement for all budgeted project expenditures by submitting a green expenditure report marked "final," an accompanying gold voucher, and the blue statement of grant match.

MANAGING YOUR GRANT MONIES

1. ESTABLISH A PROCEDURE FOR SEPARATE REPORTING OF NCHC FUNDS.

While project sponsors are not required to establish separate checking accounts for the Humanities Council funds, care should be taken that expenditures from the Humanities Council funds can be identified easily and can be separated from sponsor's other funds for financial reporting. If the sponsoring group is an educational institution or large agency with many accounts, a separate account number for the humanities grant is advised.

2. SET UP A SEPARATE ACCOUNT BOOK.

An accounting system should be set up in two parts in order to provide ready access to A) the balance of unexpended grant funds and B) the balance of each expense category.

- A. A running balance of the total grant (cash on hand) is normally maintained by setting aside one section of your book to record all receipts and disbursements. (Checkbook stubs, if completely filled out, provide the same information and can be used in place of a cash receipts / disbursements journal.)

JOURNAL SAMPLE

CASH RECEIPTS/DISBURSEMENTS

GRANT: \$2000.00

Check No.	Date	Payee	Item Code	Receipts	Expenses	Running Balance
	2/5	From Humanities Council		\$1,000		\$1,000
01	2/7	John Roe (Speaker 2/7)	D		\$150.00	\$850.00
02	2/8	Hall's Bookstore (Supplies: Inv. 422)	E		\$38.27	\$811.73
03	2/15	Brown's Print Shop (600 Brochures)	H		\$124.00	\$687.73
04	2/15	U. S. Postmaster (100 Stamps @ \$.37)	E		\$37.00	\$650.73

- B. Separate ledger pages for each expense category (e.g., supplies, stipends, travel, etc.) should be set up immediately following the cash journal. The specific expense categories and the amount allocated to each should correspond to your project budget approved by the Humanities Council and shown on your Grant Award. Entries to these ledgers should be made (posted) directly from the journal or checkbook stubs.

LEDGER SAMPLES

D. Stipends for Speakers

Budgeted: \$800.00

Check No.	Date	Payee	Amount of Check	Running Balance
01	2/7	John Roe	\$150.00	\$650.00
05	2/16	Ralph Rudolf	\$25.00	\$625.00

E. Supplies and Equipment Rental

Budgeted: \$200.00

Check No.	Date	Payee	Amount of Check	Running Balance
02	2/7	Hall's Bookstore	\$38.27	\$161.73
04	2/16	U. S. Postmaster	\$29.00	\$132.73
06	2/16	Acme Office Supply	\$50.00	\$82.73

3. REQUIRE SUPPORTING DOCUMENTATION FOR ALL DISBURSEMENTS

- A. Disbursements for office supplies, telephone, printing, etc. should be supported by statements or invoices from the company with which the business was transacted.
- B. It is recommended that fiscal agents obtain from project directors statements to support disbursements for salaries or stipends for speakers. (The signed statement, if used, should provide the information given in the following sample.)

SAMPLE

Please issue checks to the following individuals for services rendered:

Name	Amount	Date of Service	Description
John Roe	\$150.00	2/7	Major speaker
Ralph Rudolph	\$25.00	2/16	Discussion leader

X Charge to stipends (D)
___ Charge to salaries (A)

Jerry Howell
Signature of project director

(If a state institution sponsors the project and contracts for the services of individuals employed by other state institutions, there is a procedure to follow regarding dual employment practices. If you have questions about this please contact your financial affairs or accounting office.)

- C. Checks issued for travel reimbursement should be supported by a letter or statement from the individual requesting reimbursement. Motel receipts and copies of airline tickets are required as documentation when reimbursement is requested for those expenses.

SAMPLE

TRAVEL REIMBURSEMENT REQUEST

My meal costs for the trip from _____ to _____
on _____ were \$ _____ and lodging was \$ _____
(motel receipts attached). In addition, I traveled _____ miles at
\$.45 per mile. My tourist-class airfare (ticket copy attached) was \$ _____.

TOTAL TRAVEL EXPENSES: \$ _____
TOTAL ALLOWABLE REIMBURSEMENT: \$ _____ *

- * I understand that food and lodging reimbursement may not exceed \$70 per day for lodging and \$30 per day for meals

Signature

- D. Whenever possible, the fiscal agent should avoid issuing reimbursement checks made out to the sponsoring agency or to individuals closely involved with the administration of the project. Any reimbursement to project directors or others for out-of-pocket expenses must be fully supported by receipts.
- E. To maintain the best possible documentation, pay all bills and make all reimbursements by check, never by currency. This means, of course, that petty cash funds set up with Humanities Council money are not allowed.

4. RESTRICT DISBURSEMENTS TO ITEMS COVERED IN APPROVED BUDGET.

Expenditures are to be made only as authorized in the approved budget and grant award letter and for the purposes outlined in the grant proposal. You may overspend budget lines as long as the overexpenditure is balanced by the underexpenditure of other lines. The Humanities Council's total payment to the grantee will not exceed the amount set forth in the original grant award letter or subsequent amendments. Grant expenditures over and above the approved budget shall be borne by the sponsor or other interested individuals and these cash contributions may be applied toward meeting the grant's required match.

- A. Disbursements for equipment purchases, alcoholic beverages, or overdraft charges on the project's bank account are not allowed.
- B. Unless specifically authorized in the grant award letter, disbursements should not be made for the two following items. These costs may be used, however, to match Humanities Council funds.
 - (1) Indirect costs (overhead) of sponsoring agency.
 - (2) Food and other refreshments. (This restriction on food purchases does not apply to individuals on travel status.)
- C. Reimbursement for actual food and lodging costs incurred by individuals on travel status shall not exceed \$70 per day for lodging and \$30 per day for food. Additional expenses that exceed these limits may be counted as local match.

5. RESTRICT DISBURSEMENTS TO FUNDS ENCUMBERED DURING GRANT PERIOD.

The grant period extends from the time the proposed project is approved by the Humanities Council at its review meeting to the date of your last scheduled program or activity. Expenditures may be made or obligated during this period only. All outstanding financial commitments must be honored within 90 days after termination of the grant period, and any disbursement made after conclusion of the program and during this 90-day period must be for goods and services provided during the grant period.

6. SUBMIT FISCAL REPORTS ON THE HUMANITIES COUNCIL FORMS PROVIDED

The Humanities Council provides three forms for your use in submitting financial reports. Samples of these forms, which require no carbon, are shown at the end of this booklet. The forms are:

- A. Expenditure report (Form CCEH-1)
- B. Voucher register (Form CCEH-2)
- C. Statement of grant match (Form CCEH-3)

Interim reports consist of the expenditure report and the voucher register. Final reports consist of the expenditure report and the voucher register plus the statement of grant match. Directions for completing the reports are printed on the reverse side of each form.

Do not separate the copies; submit all copies to the following address:

North Carolina Humanities Council
122 North Elm Street, Suite 601
Greensboro, NC 27401

One copy will be returned to the grantee following the Humanities Council audit. Reports require the signature of the person who signed as fiscal agent on the grant proposal submitted to the Humanities Council or his/her subsequent designee as reported at the time the grant award letter was returned.

If accounting records are organized and up-to-date, filling out fiscal reports should not be difficult. Call the Humanities Council office if you have any questions.

7. FILE FISCAL REPORTS PROMPTLY.

A. Interim Reports

Grantees use interim fiscal reports to account for the funds they have already spent and to request more funds. The Humanities Council sets no specific submission dates for interim fiscal reports. Submission schedules are up to the grantee and are based on the need to replenish funds, either through reimbursement or an advance of monies.

Grantees working on a cash advance basis should submit an interim fiscal report three weeks before another advance is required. Grantees working on a reimbursement basis—covering expenditures from funds of the sponsoring organization for subsequent reimbursement from the Humanities Council—should file interim reports whenever they wish to be reimbursed. No interim reports need be filed if the grantee wishes to postpone reimbursement until the program is completed.

B. Final reports

FINAL FINANCIAL REPORTS MUST BE SUBMITTED BY ALL GRANTEES WITHIN 90 DAYS FOLLOWING PROGRAM COMPLETION. The due date for final financial reports is printed at the top of one of the sets of reporting forms sent to the fiscal agent. The same date appears at the top of the project director's concluding report form as its due date.

C. Final Report Checklist

- ___ Expenditure report (green) signed by the fiscal agent.
- ___ Voucher register (gold).
- ___ Statement of grant match (blue) signed by the fiscal agent.
- ___ Refund check, made payable to the North Carolina Humanities Council, for any advanced monies not expended.

8. RETAIN ALL DOCUMENTATION SUPPORTING DISBURSEMENTS AND LOCAL MATCH

Grantees are required to retain all accounting records including supporting evidence of disbursement for a period of three years. Included in these records are your signed and initialed in-kind contribution sheets which certify that the Humanities Council grant was fully matched.

Many grantees find it advantageous to organize expandable files with supporting documentation for each budget category kept separate. An auditor will find it very helpful if supporting documents are identified by date of payment and check number.

NORTH CAROLINA HUMANITIES COUNCIL
GRANT AWARD

TO: DOE STATE UNIVERSITY
Ms. Jerry Howell
DOE State University
Anywhere, NC 27703

Grant Number: 02-09
Mr. John Bell, Jr.
1203 Elm Street
DOE State University
Anywhere, NC 27703
Tel: (704) 555-1212

The North Carolina Humanities Council hereby approves the budget itemized below to be used in carrying out the program objectives of the above grant. This grant will be administered under the guidelines set forth in the Grant Agreement and the grant award letter.

COST ITEMS	APPROVED BUDGET
a. Salaries	\$150.00
b. Employer's Retirement	
	\$50.00
d. Speaker Stipends	\$1050.00
e. Supplies and Equipment Rental	\$150.00
f. Travel	\$300.00
g. Rental of Facilities	
h. Printing and Publicity	\$400.00
i. Other (Please itemize) <i>Telephone</i>	\$100.00
TOTAL	\$2,200.00

NORTH CAROLINA HUMANITIES COUNCIL

Effective Date: 7/1/--

Terminal Date: 9/15/--

Signature

Chair

Signature

Executive Director

NORTH CAROLINA HUMANITIES COUNCIL
FORM CCEH-1
EXPENDITURE REPORT

Instructions for Use and Preparation of Final or Interim Expenditure Report Form CCEH-1

Please send all* copies of this form, along with all copies of its supporting voucher register (CCEH-2), to:

Executive Director
North Carolina Humanities Council
122 North Elm Street, Suite 601
Greensboro, NC 27401

Instructions:

1. Enter in Column 2 your budget approved by the Humanities Council.
2. Enter in Column 3 the expenditures, by line item, being claimed for the period covered by this report. A voucher register, form CCEH-2, should accompany this expenditure report.
3. To obtain year-to-date expenditure (Column 4), add the amounts shown in Column 3 of this report to the respective amounts in Column 4 on your last report submitted to the Humanities Council. If this is your first report, Column 3 and Column 4 will show identical amounts.
4. To arrive at budget balances in Column 5, subtract line item amounts in Column 4 from those in Column 2.
5. If this is a report indicating how a preliminary cash advance was spent and you desire your final advance, please check the appropriate space under "certification."
6. This report must be signed by the fiscal agent who signed your grant proposal unless another individual was subsequently designated to sign and the Humanities Council has received written notification thereof.

* When the Humanities Council has completed the required auditing and accounting, a copy of this expenditure report and voucher register will be returned to you for inclusion in your files.

NORTH CAROLINA HUMANITIES COUNCIL
FORM CCEH-1
EXPENDITURE REPORT

Grantee: DOE STATE UNIVERSITY

Report Date: 11/2/--

Grant Number: 02-09

Period Covered: From: 8/1/-- To: 10/31/--

Report Type: Interim Final

1 Cost Items	2 Approved Budget	3 Expenditures		5 BUDGET BALANCE
		4		
		This Report	Year-to-date	
a. Salaries	\$150.00	\$150.00	\$150.00	\$0.00
b. Employer's Retirement				
c. Employer's FICA	\$50.00	\$0.00	\$17.00	\$33.00
d. Speaker Stipends	\$1,050.00	\$400.00	\$955.00	\$95.00
e. Supplies and Equipment Rental	\$150.00	\$85.00	\$195.00	(\$45.00)
f. Travel, Meals and Lodging	\$300.00	\$98.00	\$283.00	\$17.00
g. Rental of Facilities				
h. Printing and Publicity	\$400.00	\$283.00	\$303.00	\$97.00
i. Other (Telephone)	\$100.00	\$30.00	\$30.00	\$70.00
TOTAL	\$2,200.00	\$1,046.00	\$1,933.00	\$267.00

(Received advances totaling \$2,200. Refund check for \$267 is enclosed)

CERTIFICATION: We hereby certify that the above expenditures are, to the best of our knowledge, properly chargeable to the indicated grant and request () reimbursement or () cash advancement in the amount of \$ _____.

John Bell, Jr.

V.P. Business Affairs

11/2/--

Fiscal Agent Signature

(Title)

(Date)

APPROVAL: Above certified request of \$ _____ is hereby approved for reimbursement/ advancement.

North Carolina Humanities Council Director of Administration and Finance

Date

Reimbursement/ Advancement made by Check Number _____ Dated: _____

NORTH CAROLINA HUMANITIES COUNCIL
FORM CCEH-2
VOUCHER (CHECK) REGISTER

Instructions for Use and Preparation of Voucher (check) Register Form CCEH-2

Please prepare this form to support and accompany the expenditure report (CCEH-1) when filing for reimbursement or reporting expenditures from a cash advance. Send all copies to:

Executive Director
North Carolina Humanities Council
122 North Elm Street, Suite 601
Greensboro, NC 27401

One copy will be returned for your files.

Instructions:

1. Enter in Column 2 the check number or, when and where appropriate, the journal entry number.
2. Enter in Column 4 the cost item code letter for which the expenditure is being claimed. (You will note that in Column 1 of the expenditure report, each cost item is preceded by an identifying letter. For example, "A" is the code letter for salaries; "D" is for stipends for speakers, etc.)

If you made allowance in your budget to pay speakers' travel expenses in addition to their honoraria, please show these amounts separately on this form. If one check was issued to cover both, simply designate that portion which went to stipends (code D) and that which went to travel (code F). Do not list together and designate D/F.

NORTH CAROLINA HUMANITIES COUNCIL
FORM CCEH-2
VOUCHER (CHECK) REGISTER

Grantee: DOE STATE UNIVERSITY

Report Date: 11/2/--

Grant Number: 02-09

Page Number: 1 of 1 Pages

1	2	3	4	5
Check Date	Check No.	Payee	Item Code	AMOUNT
20--				
11/2	22	Bell South Telephone	I	\$30.00
11/2	23	Ray Harris	A	\$150.00
11/2	24	Valley Printing Company	H	\$283.00
11/2	25	Sue Lane	D	\$400.00
11/2	26	Joe Guilford	F	\$16.00
11/2	27	Sue Lane	F	\$82.00
11/2	28	University Bookstore	E	\$7.00
11/2	29	DOE State University	E	\$78.00
TOTAL				\$1,046.00

NORTH CAROLINA HUMANITIES COUNCIL
FORM CCEH-3
STATEMENT OF GRANT MATCH

Instructions for Use and Preparation of Statement of Grant Match Form CCEH-3

Prepare this form at the conclusion of your project, and send to:

Executive Director
North Carolina Humanities Council
122 North Elm Street, Suite 601
Greensboro, NC 27401

One copy will be returned for your files.

Instructions:

1. The figures in the "Humanities Council Funds Expended" column should reflect Humanities Council funds actually used in carrying out the project. The figures therefore may be less than those appearing on your grant award.
2. The "Local Matching (In-kind Cash)" column is for showing contributions of cash and of in-kind or donated services, facilities, etc. (Grantee is advised to check the proposed match set forth in the project proposal to the Humanities Council.) Each cost line need not show a local match; the Humanities Council's requirement is that the total local match—however distributed—be at least equal to the total Humanities Council funds used in your project.
3. Add all columns vertically and horizontally.
4. Indicate at the bottom of the form how much of the local matching is in-kind contributions and how much is cash.

NORTH CAROLINA HUMANITIES COUNCIL
FORM CCEH-3
STATEMENT OF GRANT MATCH

Grantee: DOE STATE UNIVERSITY

Grant Number: 02-09

COST ITEMS	NCHC FUNDS EXPENDED	LOCAL MATCHING IN KIND/CASH	TOTAL
a. Salaries	\$150.00	\$880.00	\$1,030.00
b/c. Fringe Benefits	\$17.00		\$17.00
d. Speaker Stipends	\$955.00	\$600.00	\$1,555.00
e. Supplies and Equipment Rental	\$195.00		\$195.00
f. Travel	\$283.00		\$283.00
g. Rental of Facilities		\$300.00	\$300.00
h. Printing and Publicity	\$303.00	\$375.00	\$678.00
i. Other (Please itemize)			
<i>Telephone</i>	\$30.00	\$80.00	\$110.00
<i>Refreshments (3 Meetings)</i>		\$85.00	\$85.00
<i>Planning Coordination Com.</i>		\$480.00	\$480.00
<i>Artwork on Program Brochure</i>		\$170.00	\$170.00
TOTAL	\$1,933.00	\$2,970.00	\$4,903.00

In-Kind Services and Contributions..... \$ 2,970.00.

Cash Contributions..... \$ - 0 -.

TOTAL Local Match..... \$ 2,970.00.

John Bell, Jr.

V.P. Business Affairs

11/2/--

Fiscal Agent Signature

(Title)

(Date)

Grant #: _____
 Grantee: _____

Do not send this form to the Humanities Council
 The fiscal agent should retain forms with the
 project's financial records for three years
 following the end of the project.

**IN-KIND CONTRIBUTIONS
 TO MATCH THE GRANT FROM THE NORTH CAROLINA HUMANITIES COUNCIL**

Please sign and complete the following form:

Date	Person or Agency Providing Donated Services	Letter Code *	No. of Hours	Rate	Total Value
11/10	Dorothy Burns	A	2	\$10	\$20.00
11/30	Dorothy Burns	A	2	\$10	\$20.00
12/7	Dorothy Burns	A	2.5	\$10	\$25.00
12/10	Dorothy Burns	A	1.5	\$10	\$15.00
TOTAL					\$80.00

Dorothy Burns

 Signature of Contributor

* Letter Code for Type of Service

- A - Administrative Time..... Donated time of project director, fiscal agent, planning committee, consultant, etc.
- D - Program Participation..... Donated time of moderator, panelist, speaker waiving honorarium, etc.
- E - Supplies & Equipment..... fair market rental value of video or other equipment provided, postage & paper, cost of refreshments served at programs, etc.
- F - Travel..... Mileage at \$.45 per mile and any out-of-pocket meals or lodging while traveling on behalf of the project.
- G - Rental of Facilities..... Fair market rental value of meeting/event space.
- H - Printing & Publicity..... Value of promotion time/space donated by television stations or newspapers, use of photo copier, etc.
- I - Other..... Contributions not fitting categories above. Please specify the nature of these contributions.