

ADDENDUM I

UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS

The Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards contained in 2 CFR part 200 apply to award recipients.

1. **Financial Management Standards (2 CFR §200.302)**

The financial management systems of the award recipients must meet the requirements set forth in 2 CFR §200.302 Financial management and the following standards:

A. **Accounting Records.** Award recipients must maintain records that adequately identify the source and application of funds provided for financially assisted activities. These records must contain information pertaining to obligations, unobligated balances, assets, liabilities, expenditures, and income.

Each award recipient shall have a double entry accounting system that is maintained according to generally accepted accounting principles that are applied on a consistent basis. The system should provide for a general ledger, a cash receipts journal, a cash disbursements journal, and a general journal.

B. **Internal Control.** Effective control and accountability must be maintained for all cash, real and personal property, and other assets. Award recipients must adequately safeguard all such property and must provide assurance that it is used solely for authorized purposes.

C. **Allowable Costs.** 2 CFR §200, Subpart E - Cost Principles, the *General Terms and Conditions for General Support Grants to State Humanities Councils*, and the terms and conditions of this grant award will be followed in determining the reasonableness, allowability, and allocability of costs.

D. **Source Documentation.** Accounting records must be supported by such source documentation 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 fee and method of payment, an itemization of travel and other costs that are chargeable to the agreement, and the signatures of both the contractor and an appropriate official of the council.

2. **Interest Earned on Advances (2 CFR §200.305)**

Recipients of National Endowment for the Humanities funds are required to maintain advances of Federal funds in interest bearing accounts unless they receive less than \$120,000 in Federal awards during their fiscal year. If a grantee 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 South Carolina Humanities shall be forwarded to South Carolina Humanities and returned to the National Endowment for the Humanities, as detailed in 2 CFR §200.305 (9).

3. **Allowable and Unallowable Costs**

The allowability of costs and cost allocation methods for work performed under a National Endowment for the Humanities grant shall be determined in accordance with 2 CFR 200, Subpart E - Cost Principles.

In accordance with Public Law 111-88 Sec. 427, none of the funds made available under this award may be distributed to the Association of Community Organizations for Reform Now (ACORN) or its subsidiaries.

4. Fundraising

Fundraising costs may *not* be charged as expenditures under this award.

5. Lobbying Activities (2 CFR §200.450)

Award recipients are prohibited by The Byrd Anti-Lobbying Amendment (31 U.S.C. 1352), “Limitation on use of appropriated funds to influence certain Federal contracting and financial transactions,” from using appropriated National Endowment for the Humanities funds to pay any person 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 with respect to the award, extension, continuation, renewal, amendment, or modification of any of these instruments. While non-Federal funds may be used for such activities, they may not be included in your budget, and their use must be disclosed to South Carolina Humanities. These requirements are implemented by the National Endowment for the Humanities in 45 CFR part 1168. Also see 2 CFR §200.450 Lobbying, that provides additional information regarding the lobbying prohibitions and describes types of activities, such as legislative liaison activities and professional and technical services that are not subject to this prohibition.

Therefore, any costs associated with lobbying activities must be recorded separately in an award recipient’s books to ensure that they are not charged to this grant.

South Carolina Humanities and the National Endowment for the Humanities are required by the provisions of its appropriations act to include the text of 18 U.S.C. 1913 in all of its award, cooperative agreement, and contract documents.

Text of 18 U.S.C. 1913:

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.

6. Procurement Standards (2 CFR §§200.317 – 326)

Award recipients are subject to the procurement standards set forth in 2 CFR §§200.317 – 326. Also see Appendix II to 2 CFR part 200—Contract Provisions for Non-Federal Entity Contracts Under Federal Awards.

The standards contained in this section do not relieve the award recipients of the responsibilities arising under its contracts. The award recipient is the responsible authority, without recourse to South Carolina Humanities or the National Endowment for the Humanities, regarding the settlement and satisfaction of all contractual and administrative issues arising out of procurements entered into in support of an award or other agreement. Matters concerning the violation of a statute are to be referred to such Federal, state, or local authority as may have proper jurisdiction.

7. Audit Requirements

South Carolina Humanities may inspect or audit your financial accounts and records or may assign a qualified person to do so. Inspection and audit may include visits to the grantee before grant payments are made to make sure that

the grantee's accounting system is adequate. The National Endowment for the Humanities may also conduct an inspection or audit. The Federal Government has the right to audit third party accounts related to the grants.

Award recipients shall have audits performed that meet the requirements of the Single Audit Act Amendments of 1996 (31 USC 7501-7507) as implemented by 2 CFR 200, Subpart F- Audit Requirements. **Award recipients that expend more than \$750,000 in Federal funds from all sources during their fiscal year are subject to the Single Audit (formerly known as the A-133 audit).**

This grant provided by South Carolina Humanities is a re-grant of money received from the National Endowment for the Humanities, a Federal agency. This means that the funds awarded through this grant are Federal funds (45.129 Promotion of the Humanities Federal-State Partnership) and that grantees must comply with any Federal, state, or local laws, rules, or regulations that may pertain.

8. Misapplied Funds

If South Carolina Humanities determines that you have misapplied any of your grant funds, South Carolina Humanities has an ownership interest in any money or property acquired through the use of the misapplied funds. You must also repay misapplied funds to South Carolina Humanities.

9. Uncommitted Funds

If you have funds left over at the end of your grant award period that have not been committed for budgeted goods or services, you must return these funds to South Carolina Humanities.

10. Record Retention (2 CFR §§200.333 – 335)

Financial records, supporting documentation, statistical records, and all other records pertinent to the award shall be retained by the award recipient for three years following the award recipient's submission of their final report to South Carolina Humanities. Records for real property and equipment acquired with National Endowment for the Humanities funds must be retained for three years after final disposition.

If the three-year retention period is extended because of audits, appeals, litigation, or the settlement of claims arising out of performance, the records shall be retained by the award recipient until such audits, appeals, litigation, or claims are resolved.

South Carolina Humanities, the National Endowment for the Humanities, the Comptroller General of the United States, and any of their duly authorized representatives shall have access to any pertinent books, documents, papers, and records of the award recipient to make audits, examinations, excerpts, transcripts, and copies. See 2 CFR §§200.336 – 337 for additional information.

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