May my institution apply for more than one challenge grant at a time?

No. An applicant may submit only one application in a challenge grant competition in a calendar year. The only exception to this rule is that a two-year college may apply in the same year to both the Challenge Grants for Two-Year Colleges program in February and to the regular Challenge Grant program in May.

My institution was awarded a challenge grant last year. May we apply this year?

No. An institution may receive only one challenge grant at a time, and there is a three-year waiting period between the close of an existing challenge grant and an application for another challenge grant. This rule applies to all challenge grants, including challenge grants for two-year colleges.

My institution held a prior regular NEH challenge grant. What is the matching requirement for us under a subsequent challenge grant?

The matching requirement for both first-time and subsequent challenge grants is three-to-one (that is, three nonfederal dollars for every federal dollar). HBCUs, Tribal Colleges and Universities, and two-year colleges must raise only two nonfederal dollars for every federal dollar offered.

I’d like to send a draft proposal for NEH staff comment. How do I do that?

While it is not mandatory to submit a draft, applicants are strongly encouraged to do so no later than four to six weeks before the application deadline, if not earlier. Staff will make every effort to review all drafts submitted, but time constraints may prevent thorough review of drafts submitted less than four weeks before the deadline. Staff comments on draft proposals are not part of the formal review process and have no bearing on the final outcome of the application, but previous applicants have found them helpful in strengthening their proposals. Staff review of a draft can substantially improve a proposal: staff members can draw on their extensive experience to identify technical problems with a planned challenge grant and to offer advice for improving a narrative.
The preferred method of submitting draft proposals is by e-mail attachment (challenge@neh.gov). Drafts may also be submitted by fax (202-606-8579) or commercial delivery service (Office of Challenge Grants, National Endowment for the Humanities, Room 420, 1100 Pennsylvania Avenue, N.W., Washington, D.C. 20506, 202-606-8309).

**Should our institution include letters of support as part of our application or should they be sent separately?**

Letters of support or commitment should be included with the application, in an appendix, as one of the PDF attachments to the Grants.gov application.

**Are in-kind donations permitted for matching an NEH Challenge Grant?**

Yes, subject to the limitation that the total of such donations—combined with earned income and unrestricted gifts—may not exceed the federal portion of the grant (normally 25 percent of the total grant). Furthermore, in-kind gifts or donated services are eligible only if the material or service provided is convincingly related to the nature of the humanities activities being supported.

**Are unrestricted gifts to my organization allowable for match?**

Yes, subject to two limitations: 1) the total of unrestricted donations—combined with earned income and in-kind donations—may not exceed the federal portion of the grant (normally 25 percent of the total grant); and 2) like restricted gifts, unrestricted challenge gifts must be donated during the grant period.

**How is the grant period for a challenge grant determined, and why is it important?**

The grant period is important because all nonfederal donations must be given during the grant period in order to be counted toward the required match. The grant period begins five months before the application deadline, and in most cases it ends sixty-three months after the deadline. For example, the grant period for applications submitted by the May 2013 deadline begins December 1, 2012; the grant period ends July 31, 2018. HBCUs, Tribal Colleges, and two-year colleges have grant periods that are fifteen months longer than the regular grant period. A challenge grant held by one of these institutions would end July 31, 2019.

NEH allows one other deviation from the typical grant period: applicants who, unsuccessful at one deadline, revise and resubmit their applications at the next deadline one year later, may use the same starting date in the resubmission as in the original submission. This rule enables the applicant to keep faith with donors whose gifts have been solicited in anticipation of a challenge grant. (If the resubmitted application is not successful, however, this exception is not available for subsequent submissions.)

**May I use a single challenge grant to fund more than one project, such as endowing a professorship and renovating the library?**

Yes, a single challenge grant may be used to support more than one project. Program experience, however, strongly suggests that applications requesting support for unrelated
projects do not fare as well in the grant competition as proposals that present a coherent and focused plan to enhance the humanities at the institution.

**The application instructions include a financial summary form. May I submit a copy of my institution’s audited financial statements instead of using the financial summary form?**

The financial summary form is a suggested format only, and you may create your own form or use an existing institutional form, so long as it provides the same kind of information about the applicant institution’s finances: that is, a *summary* snapshot of income and expenditures over the last three years. Full audited accounts or reports are not useful for the program's purpose. Rather than sending the full records, applicants should extract and submit information of the kind that the summary form requests.

**We are preparing to submit an application for a construction and renovation project, and we have contacted our State Historic Preservation Officer (SHPO) as instructed. But she has not yet provided a letter describing her preliminary findings about our project. May we submit the application without the SHPO letter?**

Yes. The applicant must consult the SHPO before construction or renovation begins and before any federal funds can be released. NEH recognizes that the SHPO cannot be required to make a determination about the effects of the project on historic properties until the challenge grant is awarded. Nonetheless, in order to be entered into the grant competition, the application package or a separate set of materials must include a copy of any materials submitted to the SHPO requesting a determination as to the effects of the project. If NEH offers the applicant a challenge grant, NEH will conduct a Section 106 review, which will include the SHPO’s final determination. **NEH cannot release federal funds until the Section 106 review is completed.**

**What is the status of endowment funds created with NEH Challenge Grants?**

Endowments created with NEH Challenge Grants after 2009 are permanent and restricted to the uses defined in the challenge grant application. A grantee may not change the purpose of an endowment without consulting NEH.

**Will receipt of an NEH challenge grant subject my institution to an A-133 audit?**

Possibly. Whether an A-133 audit is required depends on the amount of federal funds involved, and on the use to which the federal money is put. The basic rule is that receipt or possession of $500,000 or more in federal grant funds in any year may result in a required A-133 audit requirement that year. If your challenge grant supports direct expenditures (such as for a construction project), an A-133 audit would be required only in the year(s) in which you expend or hold $500,000 or more in federal funds. If the challenge grant creates an endowment fund, the government counts the federal portion of the endowment as an expenditure of federal funds that triggers an A-133 audit requirement *each year*. That is, an endowment that includes $500,000 or more in federal funds will trigger an A-133 audit in every year of the endowment’s existence.
When will I hear whether my institution will be offered a challenge grant?

Approximately seven months after the application deadline.