NEH

National
Endowment
for the
Humanities

Office of
Challenge
Grants

Guidelines and
Application Materials

Application Deadline:
May 1, 1985

Challenge Grants Program

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CHALLENGE GRANTS PROGRAM

TIMETABLE

December 1, 1984

Date from which advance
fund raising may occur

March 15, 1985

Date by which draft application
should be sent to program staff for
prior comment and counsel

April 1, 1985

Date by which applicants should notify
the Endowment by card of their intent to apply

May 1, 1985

Postmark deadline for sending formal
application packets to the Endowment

Summer and Fall 1985

Review of applications

November 1985

National Council on the Humanities
meets to review applications

December 1, 1985

Notification of awards; upon receipt of certification,
beginning of release of federal funds

July 31, 1986

Date by which grant recipients
must complete certification for the first year's offer and file
the first annual report
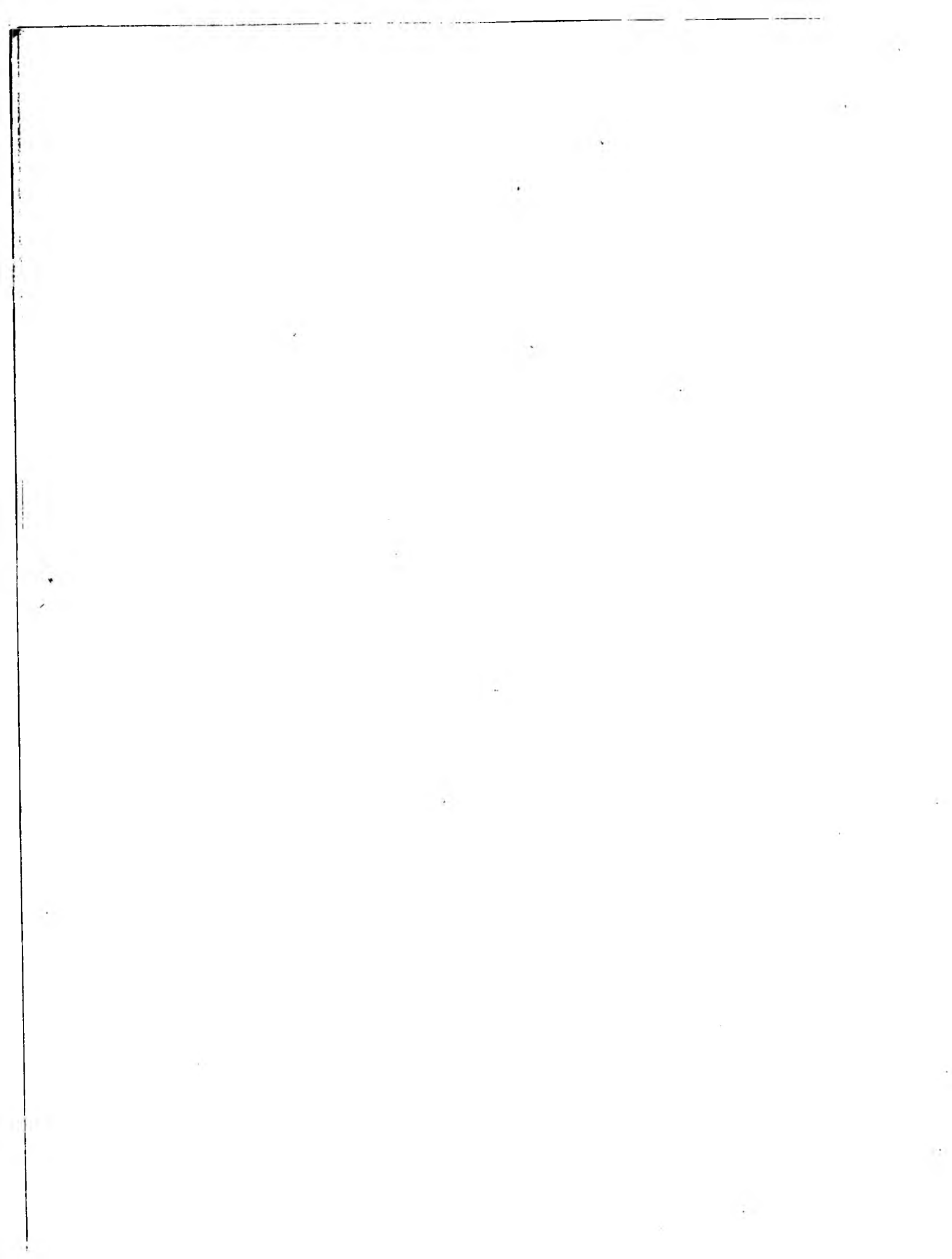
INTRODUCTION

The National Endowment for the Humanities

The National Endowment for the Humanities is an independent federal agency created in 1965 to support research, education, and public activity in the humanities. The agency's establishment resulted from congressional determination that it is appropriate and necessary for the federal government to complement the support for the humanities provided by state and local governments and private sources.

The Endowment's grant-making activities are carried out through five divisions--Education Programs, Fellowships and Seminars, General Programs, Research Programs, State Programs--the Office of Challenge Grants and the Office of Preservation.

For further information about other Endowment programs, write:

Public Affairs Office
Room 409
National Endowment for the Humanities
1100 Pennsylvania Avenue, N.W.
Washington, D.C. 20506
202/786-0438

The Humanities

As dimensions of learning, the humanities employ the methods of particular academic disciplines and sometimes of broader interdisciplinary inquiry. Common to all the humanities are the processes of interpreting and evaluating human experience--past, present, and future. Because the records of human experience principally reside in books, works of art, and other cultural artifacts, the humanities are often defined in terms of a group of academic disciplines devoted to the study of these human achievements. The law that established the Endowment states: "The term 'humanities' includes, but is not limited to, the study of the following: language, both modern and classical; linguistics; literature; history; jurisprudence; philosophy; archaeology; comparative religion; ethics; the history, criticism, and theory of the arts; those aspects of the social sciences which have humanistic content and employ humanistic methods; and the study and application of the humanities to the human environment with particular attention to the relevance of the humanities to the current conditions of national life."

Institutions or organizations sponsoring programs and activities in the social and natural sciences that are historical or philosophical, or that attempt to cast light on questions of interpretation or criticism traditionally in the humanities, are eligible to apply. Institutions that emphasize the practice or performance of the arts should apply to the National Endowment for the Arts.

In all instances, the burden of proving that proposed funds will support work in the humanities lies with the applicant.

The Challenge Grants Program and its Goals

In the preamble to the National Foundation on the Arts and Humanities Act of 1965, Congress declared "that the encouragement and support of national progress and scholarship in the humanities and the arts, while primarily a matter for private and local initiative, is also an appropriate matter of concern to the Federal Government. . . ." In the legislation authorizing the National Endowment for the Humanities, Congress directed the agency to provide means for "cultural organizations and institutions to increase their levels and kinds of continuing financial support; to improve their administration and management through long-range financial planning; to encourage greater audience participation in, and appreciation of, their programs; to stimulate greater cooperation among such institutions; and to foster greater citizen involvement in institutional planning." The Endowment developed the Challenge Grants Program to join federal and major nonfederal support for the humanities and to improve financial stability and program quality within those institutions and organizations in which teaching, learning, and research in the humanities occur.

As a consequence of the long-range financial and program planning that must precede application for an Endowment challenge grant, institutions can attain more efficient administration, greater program coherence, and less dependence on single funding sources—federal or otherwise. The recipient of a challenge grant must raise from nonfederal donors three times the amount of federal funds offered. The nonfederal funds must come either from new sources of giving or from increased contributions by existing donors.

Endowment challenge grants offer support for a variety of purposes so that institutions or organizations performing meritorious work within the context of their missions and resources may improve the quality of their work and achieve greater financial stability and an appropriate growth of their resources. Challenge grant applicants must demonstrate that the funds will sustain or develop a high quality of work which will contribute significantly to the promotion of the humanities. The grants are not general operating funds; rather, challenge grants are intended to assist an institution or organization to develop long-term capital resources for the humanities. Furthermore, no proposed grant activities should result in an increased financial burden to the institution. If activities supported by a challenge grant increase demands on operating resources, the challenge grant should also provide sustained sources of funding to support those demands.

ELIGIBILITY AND REGULATIONS

Institutions and Organizations Eligible to Apply

With the exception of public and private elementary and secondary schools, any nonprofit institution or organization working wholly or in part within the humanities may apply for a challenge grant. Such institutions and organizations include

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- junior and community colleges
- four-year colleges
- universities
- museums
- historical societies
- research libraries
- public libraries
- advanced study centers
- media organizations
- university presses
- professional societies
- educational, cultural, or community groups

Any representative of an institution or organization interested in developing a challenge grant application but uncertain about the organization's eligibility should write to or call the Office of Challenge Grants.

Concurrent NEH-NEA Challenge Grants

An applicant may submit simultaneous proposals for challenge grants to the National Endowment for the Humanities and the National Endowment for the Arts. However, no institution or organization may receive challenge grants from both agencies concurrently. Should both NEH and NEA offer a challenge grant to an institution or organization, the applicant may accept only one offer. Any eligible institution may submit a challenge grant application to one agency if it has already completed a challenge grant at the other. For NEH, completion of a challenge grant occurs when a recipient submits a fully acceptable final grant report.

Applying While in Receipt of Other Endowment or Federal Awards

Any applicant applying for or currently receiving support from other Endowment divisions or offices may also apply for a challenge grant. Applicants should list in an appropriate section of the proposal narrative current projects or projects within the past two years supported by the Endowment. They should also report pending requests for Endowment project support. Such a listing need include only those funded projects and pending applications which, in the applicant's judgment, are relevant to the challenge grant proposal.

Applicants receiving or applying for a challenge grant from the Department of Education's Title III Developing Institutions Program should explain in the NEH proposal narrative how the two challenge grants would differ and why the institutions ought to receive funding from both sources.

Museums and historical societies applying for funds or receiving grants from the Institute for Museum Services (IMS) should devote a paragraph in the narrative proposal to the distinctions between IMS funding and the proposed challenge grant.

Second-Time Challenge Grants

An institution or organization that has received a challenge grant may apply for a second challenge grant when two calendar years have elapsed since the formal conclusion of the first one. The date of formal conclusion is the date an acceptable final report is submitted to the Endowment. Applications for second awards are given lower priority than applications for first awards when their merits are otherwise approximately equal. Applicants for second awards are asked to report on their first awards in their proposal narratives (see paragraph on requests for second-time awards, page 26), and they are judged by the success of the first award (see Criterion #7, page 12) in addition to the standard criteria.

Conjoined Endowment Project Grants and Challenge Grants

The Endowment will entertain a single application for joint funding through the Endowment's Division of Education Programs (Fostering Coherence Throughout an Institution) and the Office of Challenge Grants. A proposal for joint funding must represent a coherent and compelling plan that meets the criteria for both the Fostering Coherence Throughout an Institution Program and the Challenge Grants Program. An institution wishing to submit a single application for both types of grants should discuss its plans with Endowment staff. The deadline for submission of proposals for joint funding is that of the Fostering Coherence Program (April 1 and October 1 in 1985). For information about a joint proposal, call or write to the Office of Challenge Grants.

Expenditures Permitted under a Challenge Grant

Unlike other Endowment grants, which support focused projects in defined program areas, a challenge grant and its matching funds may support a variety of institutional activities, which an applicant demonstrates as serving both the humanities and an institution's long-term objectives. Applicants should bear in mind that because a challenge grant's major purpose is to assist in building long-term capital resources, proposed expenditures that clearly support capital growth and financial stability receive priority within the program. Nonfederal funds raised in connection with a challenge grant are subject to the same conditions as federal funds. The timing of expenditures is a matter for the recipient of a grant to determine, and the Endowment regards the deposit of grant funds into interest- or dividend-bearing accounts during the formal grant period as a legitimate expenditure. The following types of expenditures are all legally eligible within the program (this list is, of course, suggestive rather than conclusive, and applicants should discuss proposed expenditures with Endowment program staff):

--Endowments or cash reserves, provided that funds are restricted to support programs, personnel, or activities within the humanities.

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--Renovation or repair of existing facilities or additions to existing facilities used for humanities programs, provided that structural additions are connected to the primary building and do not exceed 100 percent of existing floor space. Up to $250,000 of federal funds and all matching funds may be expended for renovation. If an applicant requests amounts higher than $250,000 in federal funds for renovation, special action by the Endowment is necessary. The program does not permit expenditures for new construction, that is, the building of new, free-standing structures.

--Reduction or defrayal of continuing or cumulative debts, notes, or mortgages, to the extent that such reductions bear upon expenses within the humanities.

--Purchase of equipment, to the extent such purchases support the humanities.

--Acquisitions, collections, or other materials pertinent to the humanities.

--Fund-raising costs for personnel, administration, and materials to the extent that such costs are attributable to the humanities and exceed existing development capability. Although the proportion of fund-raising costs to total grant expenditures is flexible, fund-raising and development costs may not exceed 20 percent of the total challenge funds (federal and nonfederal).

--Costs for cataloguing, restoring, or conserving humanities texts and materials.

In addition to funds for new construction, other expenditures not eligible within the program are direct subsidies for general operations; funds for undergraduate scholarships and prizes, even if supported by means of an endowment; and support for projects eligible for grants from other Endowment programs.

The Grant Period and Schedule of Payment

For all 1985 challenge grant applicants subsequently receiving an award, the official beginning date of the grant will be the beginning date of fund raising to match the challenge grant--any time between December 1, 1984, and January 1, 1986. The earlier date allows those who so wish to conduct advance fund-raising campaigns. An applicant may solicit gifts in anticipation of or on condition of a challenge grant, and such gifts are eligible for matching any eventual award as long as the institution holds proper documentation and donors have appropriately restricted the gifts to match the grant. Any applicant planning to engage in advance fund raising should review the program's Administrative Regulations to ensure the eligibility of gifts. Applicants may request a copy of this document from the Office of Challenge Grants. All eligible monies raised before receipt of a grant may be spent at any time as long as the institution can later document that the expenditures were for the purposes outlined in the proposal.

The advance fund-raising date of December 1, 1984, applies to all challenge grant applicants submitting a proposal by May 1, 1985. Even if an applicant submitted an application for an earlier review cycle but did not receive a challenge offer, it may count as eligible only those funds raised on or after December 1, 1984.

Challenge grant applicants may request that the federal portion of the grant be paid in one, two, or three years. All awards in this round of grants will include offers of payment in federal fiscal year 1986 (October 1, 1985 through September 30, 1986). Because the challenge grant provides funds for developing long-term capital support, most applicants request a division of payments over three fiscal years.

Applicants may propose any schedule for payment appropriate to their needs and consistent with their fund-raising plans and the Endowment's funding pattern described in the following paragraph. The total request need not be divided equally; however, the proposal should explain why an applicant has selected the installments requested. In issuing a challenge offer, the Endowment may modify the installment amounts.

On a one-to-one basis, the Endowment pays out all or part of the first 3ear's funds as soon as a grant recipient certifies to the Endowment it has received eligible gifts. Thus, if a recipient has an offer from the Endowment for $100,000 in fiscal year 1986 and notifies the Endowment in January 1986 that it has raised $50,000, the Endowment pays the first $50,000 of the offer. If in March the grant recipient certifies that another $50,000 has been raised, the Endowment pays the remainder of the first year's offer. For multiyear grants, before a recipient can receive any of the funds offered in the second year, it must raise the second- and third-dollar portions of matching funds for the first year's offer. Thus, the Endowment releases federal funds on a one-to-one dollar basis each year; but grant recipients must complete the full three-to-one matching requirement for one year before the Endowment releases a subsequent year's installment.

This tiered method of releasing funds acknowledges the time necessary for a fund-raising campaign to acquire momentum. It also allows federal funds to work for institutions as soon as is feasible. The method of payment means that there is a final year for the grant--a year beyond the federal offer period--during which grant recipients complete the second and third portions of the match for the final federal installment.

To allow sufficient time for the Endowment to accept certification and notify the Treasury to pay, grant recipients must certify gifts by July 31 of each year during the grant in order to receive funds for that federal fiscal year.

Example: Funding pattern for a $300,000, three-year Challenge Grant:

Fund-Raising Period	Federal Offer	Amount Required To Receive Federal Offer	Cumulative Total
January 1, 1985 (starting date) to July 31, 1986	$100,000	$100,000	$200,000
August 1, 1986 to July 31, 1987	$100,000	$200,000 $100,000	$600,000
August 1, 1987 to July 31, 1988	$100,000	$200,000 $100,000	$1,000,000
August 1, 1988 to July 31, 1989	--	$200,000	1,200,000
	$300,000	$900,000	

Grant Amounts

Endowment challenge grants in the last three years have ranged from $5,000 to $1 million. These amounts are the federal portion of the total challenge grant. Because each challenge grant recipient must raise three times the amount of the offer in nonfederal funds from new or increased contributions, the federal portion is 25 percent of the total proposed fund-raising campaign goal. Thus, applicants' campaign goals during the past three years have ranged from $20,000 to $4 million. The amount requested for a challenge grant should be reasonable and yet sufficient to accomplish the applicant's proposed aims.

Any Endowment challenge offer exceeding $1 million is rare (less than one percent of all grants offered). Although there have been a few such offers in the history of the program, there has been none in recent years. Anyone intending to request funding in excess of $1 million should discuss the proposal with the staff of the Office of Challenge Grants.

In the process of reviewing an application, the Endowment may determine that an applicant merits support but only in part or at a reduced level. The Endowment may in such instances offer an applicant less than the amount requested. Of course, any applicant may decline an offer and choose to resubmit an application with a better rationale for a larger amount. In the most recent round of challenge grant awards, 11 percent of the recipients received offers less than their original request; and the original amounts were reduced an average of 21 percent.

Examples of Gifts Eligible for Meeting a Challenge Grant

Applicants who plan to engage in advance fund raising, should write to the Office of Challenge Grants to request a copy of the program's <u>Administrative Regulations</u> to ensure that gifts are eligible.

A variety of gifts may be eligible. However, gifts may not emanate from within the recipient institution itself, nor may an institution shift internal budgets for matching purposes. Interest earned on gifts made for challenge grant purposes is not eligible for matching. Fulfillment of earlier pledges and income from existing endowments are not new funds.

In each instance, contributors must understand--and institutions must be able to document--that donations are given in response to a challenge grant and will be used for the purposes stated in the application. The following list gives some examples of acceptable gifts:

--gifts of cash;

--pledges, to be paid in cash within the grant period; such pledges must
    be in writing and constitute a legally binding promise to pay;

--nonfederal grants;

--gifts of marketable securities (valued as of the date of transfer from
    the donors to the grant recipient);

--special legislated appropriations, other than federal;

--income from special fund-raising benefits, events, sales, auctions
    (the costs of such events must be deducted to establish the net real
    value of all income);

--gifts of property (a) if converted into cash by means of sale (the
    value of the gift is then equivalent to the sale value); or (b) if
    income-producing and such income is restricted to the purposes of the
    grant (the value of the gift is equivalent to the value of the income
    received during the grant period); or (c) if the property is clearly related
    to the purposes of the grant and expands the resources of the recipient (the
    value is determined by an independent appraisal paid for by the grant
    recipient and submitted with certification; the Endowment at its discretion
    may require a second independent appraisal).

--bequests only in certain restricted circumstances in which executors
    have sufficient authority to designate gifts of an estate for purposes
    of the grant;

--donations resulting from irrevocable trusts to the extent that their
    value can be determined in accordance with generally accepted
    accounting principles;

--pooled life income funds, charitable gift annuity trusts, and other
    forms of deferred giving valued according to Internal Revenue Service
    practices and principles;

--to a limited extent, some types of in-kind contributions, provided the
   gifts support the purposes of the grant and extend or increase capital
   resources (for example, pro bono construction work or architectural
   planning for a renovation project). The value of such gifts must be at
   standard rates or fees for the services provided and no more than
   one-third of all matching funds for the grant may be in the form of
   in-kind contributions.

--membership contributions, gifts from alumni, donations from friends
   groups or other group gifts, provided that costs for services rendered
   to members (such as a magazines, newsletter, yearbooks) are deducted to
   establish the net real value of such pooled gifts;

--increased earned income (for example, from gift shop proceeds), as long
   as such increased income has been advertised as meeting the challenge
   grant and no more than one-third of all gifts are in the form of increased
   earned income.

Because of the legal complexities regarding pooled life annuity trusts,
irrevocable and revocable trusts, bequests, and gifts of property, grant recipients
wishing to certify such actual or potential gifts are encouraged to discuss them
with the Endowment staff before submitting them for certification. At any time,
applicants may feel free to discuss doubts or ambiguities concerning gift
eligibility with program staff in the Office of Challenge Grants.

To increase the likelihood of continuing support beyond the grant period,
the Endowment encourages recipients of challenge grants to seek contributions from
local sources and from individuals who use the services of the institution or
organization rather than from single, nonrepeating contributors (for example, major
foundations).

New and Increased Contributions

All gifts meeting a challenge grant must be from new sources of giving or
must be increases in contributions from existing donors. Whether contributions are
new or increased depends upon sources and amounts of giving during the base year.
The base year is the twelve-month period immediately preceding the start of the
grant period. The Endowment's formal award letter will identify the base year by
using the beginning date of the grant period given on the official application
cover sheet (page 16).

New contributions represent gifts from a donor or donors who have never
given to an institution or organization or who did not contribute during the base
year. Increased contributions represent gifts in excess of what donors gave during
the base year. The amount of the increase--not the full gift--is the amount that
is eligible.

Challenge grant recipients may choose to pool the donations of some donor
groups and submit the increases in pooled giving. In such instances, all pooled
donors must have had knowledge--through solicitation literature, letters, or other
means--that their increased gifts would be used in response to the challenge
grant. For example, an alumni group might have given a university $100,000 during
the base year. During four fund-raising years of the challenge grant, the group
gives $120,000, $125,000, $130,000, and $150,000 respectively. Altogether, the
university can count the amount of increase each year for matching: $20,000 +
$25,000 + $30,000 + $50,000 = a total of $125,000 over the grant period.

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THE APPLICATION AND REVIEW PROCESS

What Help Is Available?

The Office of Challenge Grants encourages potential applicants to discuss an institution's or organization's proposal plans with the staff before submitting the formal application and also to submit a draft application for staff review. Draft applications should be sent to the Endowment at least six weeks prior to the formal application deadline, that is, by March 15, 1985. Only one copy of a draft needs to be provided.

The Challenge Grants Office maintains a "lending library" of successful applications that were considered exemplary by panelists and staff. These are available on request.

Applicants need not incur the expense of a trip to Washington to receive staff counsel. The staff provides most of its review and counsel by telephone or letter. After reading a draft proposal, the staff is available to discuss it by telephone. An applicant who wishes to meet with staff in person should call in advance to schedule an appointment.

Whether or not an applicant receives a grant offer, after the formal review process has been completed, an applicant may request a summary on the proposal. Many successful recipients of a challenge grant were not offered a grant in response to the first proposal submitted to the program; after reviewing panelists' comments, however, and rethinking and rewriting an application in light of criticism, they received offers in a subsequent application round.

Notice of Intent to Apply

At the back of this booklet is a postcard addressed to the Endowment entitled "Notice of Intent." The card should be sent to the Endowment before April 1, 1985, if an applicant plans to submit an application. The notice allows Endowment staff to make reasonable plans for assembling review panels. Furthermore, it helps ensure that all applications sent to the Endowment are indeed received and recorded. The mailing of the card is not a prerequisite to filing an application, but it is helpful in planning.

Please note that the formal application deadline of May 1, 1985, is firm. In fairness to all applicants, there are no extensions or exceptions.

THE REVIEW PROCESS

Description of the Review Process

When an application is received by the Office of Challenge Grants, it is assigned to an appropriate program officer accustomed to working with the kind of institution or organization represented by the applicant. If an applicant has discussed plans with a particular member of the Office of Challenge Grants staff, that staff member usually assumes responsibility for reviewing the application and presenting it during the review process.

The program officer reads the application to ensure that it is complete and that both the institution and what it proposes are technically eligible within the program. Should there be any question about completeness or technical eligibility, the program officer will call the applicant.

The Endowment sends all technically eligible applications to a panel of reviewers who later meet in Washington. During the most recent round of applications, the Office of Challenge Grants convened nine panels to review applications. Prior to meeting in Washington, panelists read all applications to be reviewed by that panel. At the panel meeting each application is discussed in light of the program's guidelines and the evaluation criteria.

The peer review panel is central to the evaluation of all Endowment applications. A panelist's primary responsibility is to identify for staff, the National Council on the Humanities, and the chairman of the Endowment the merits and weaknesses of each application. Each challenge grants panel includes reviewers whose collective backgrounds represent a variety of experience and knowledge not only about the humanities but also about the management and financing of nonprofit institutions and organizations. Usually, a panel consists of seven members including senior executive officers from the kinds of institutions or organizations under review, scholars in the humanities, a development officer or an individual responsible for institutional fund raising, a citizen who is serving or has served as a trustee for similar nonprofit organizations, and a representative from a corporate or private philanthropic foundation.

Subsequent to the meetings of all panels and in light of their discussions, the staff prepares recommendations for each application and presents both these recommendations and the comments of the panelists to a special committee of the National Council on the Humanities. That committee in turn reviews the recommendations and prepares a motion for submission to the full council. If approved by the National Council, the motion becomes a set of formal recommendations about funding to the chairman of the Endowment. Basing his actions upon the comments of panelists and staff and upon the formal motion from the National Council, the chairman makes all final decisions about funding. The Endowment then notifies each applicant about the disposition of the application.

Once the Endowment has received a formal application, staff will not comment about the status of an application, except to settle questions about completeness or eligibility, until after letters announcing decisions have been mailed.

Criteria for Evaluating Applications

Reviewers of challenge grant applications must judge the existing and potential quality of the applicant's programs, needs, management, and fund raising. In light of the goals of the Challenge Grants Program described in these guidelines, and the questions like those on pages 25-26, reviewers assess each application in accordance with the following questions:

1. Within the context of the organization's or institution's mission, audience, and interpretative philosophy, what is the ability to sustain or attain a high level of quality for programs and activities within the humanities?

2. What is the likely long-term impact of the proposed challenge grant on the quality of the applicant's programs, resources, and services within the humanities?

3. Is there a demonstration of financial and programmatic need for the challenge grant in light of the applicant's experience, objectives, and priorities?

4. To what extent does the proposal reflect effective long-range planning about programs, finances, and management?

5. What is the likely impact of the proposed challenge grant on the applicant's financial stability and capability to use resources more efficiently?

6. What is the probability that the fund-raising plan will prove successful and will develop sources likely to continue contributing beyond the grant period?

7. (APPLICATIONS FOR A SECOND-TIME AWARD ONLY)--What was the success of the first award, the degree to which it fulfilled the purposes of the grant and the program, and the extent to which it helped the organization or institution develop real capital growth? Is there reasonable need for a second award in light of these factors?

The Application and its Preparation

A complete challenge grant application submission contains the following items:

1. Ten copies of the application package, each copy including in this order

   a) the official application cover sheet;

   b) the one-page institutional fact summary;

   c) the financial summary;

   d) the proposal narrative (double-spaced);

   e) a one-page summary budget for the proposed use of all federal and matching challenge funds;

   f) a copy of the current operating budget (this document may be condensed or summarized if unusually long).

   g) Lists of trustees and staff.

2. Two sets of audited financial statements, including opinion and notes, for the two most recently completed fiscal years.

3. One copy of the IRS determination letter establishing the institution's or organization's nonprofit status.

4.   Two additional copies of the official application cover sheet, one of which should be the original signed by the authorizing official.

5.   If applicable, one copy of the opinion letter from the state historic preservation officer (for applications entailing renovation only). See page 27 for details.

6.   If applicable, one set of architectural plans or surveys (for applications entailing renovation only).

The Application Cover Sheet

Instructions for completing the official cover sheet are on page 15. The cover sheet identifies personnel responsible for administering the potential challenge grant, the amounts requested, the summary of proposed uses, and the kind of institution or organization applying. The two extra copies of the cover sheet are for the Endowment's internal purposes. One of these extra sheets should be the original bearing the authorizing official's original signature. The first date of the "requested grant period" should be the starting fund-raising date.
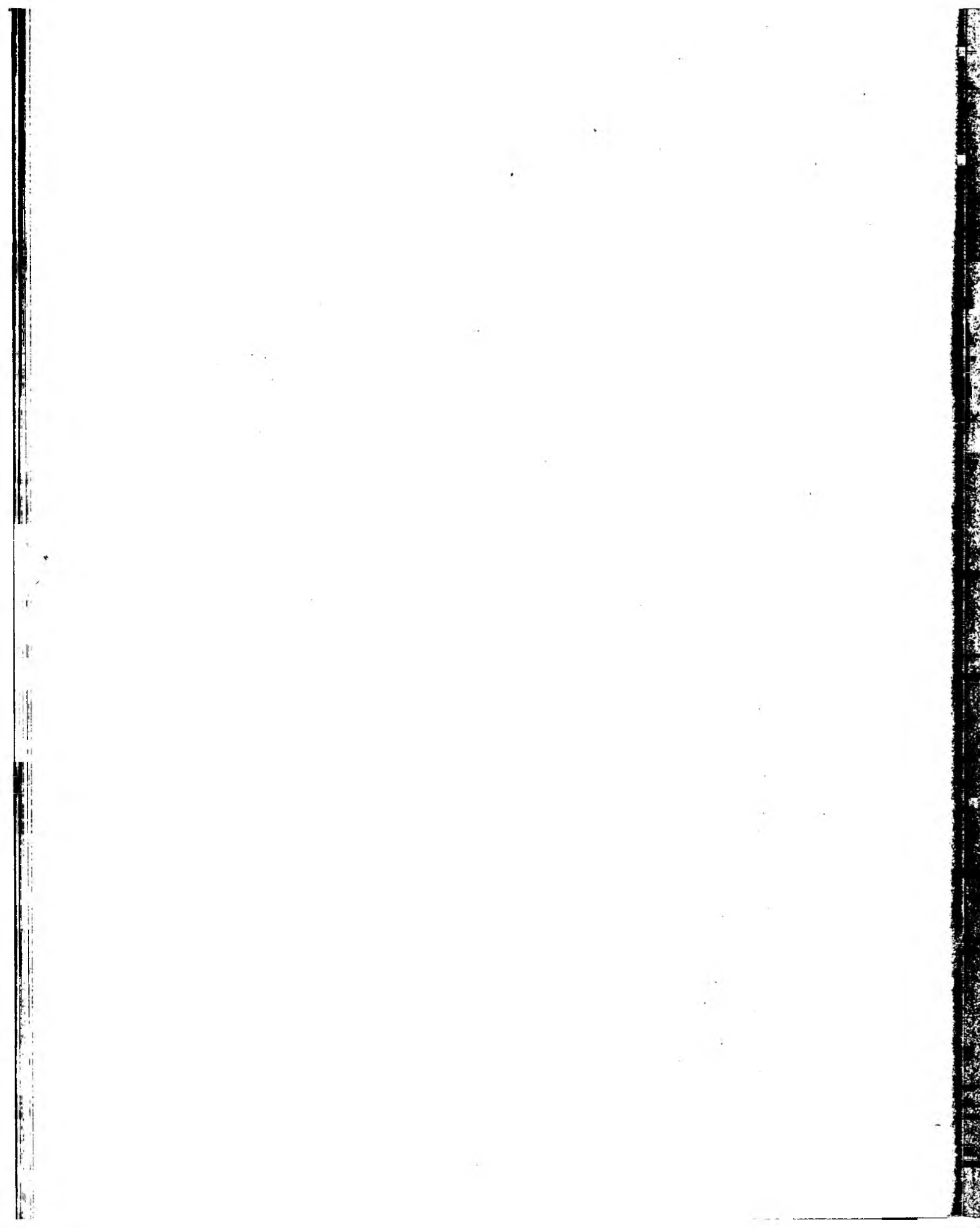
National Endowment for the Humanities
Washington, D.C.

The next three pages include:

—Instructions for Completing the Application Cover Sheet
—The Application Cover Sheet
—Field of Project Categories and Codes

Please read the instructions before completing applicable questions. Please print or type.

Purpose: The National Endowment for the Humanities uses a single cover sheet for all of its programs. This cover sheet gathers information that is necessary in one of two ways:

(1) The information is necessary for efficient consideration of the application during the review process and in the administration of the grant if an award is made.

(2) The information is *required of the Endowment* in various reports to Congress, other federal agencies, and the public. The Endowment must provide reports which involve statistical information or descriptions that can be obtained quickly from the cover sheet. Information is recorded in a computer which stores the data for subsequent compilation and reporting.

Please read the instructions for each question carefully. Answer each question by typing or printing your reply. Please verify your answers to be certain that they are correct and complete.

You will find it helpful to complete the cover sheet last, after all other parts of the application have been prepared.

Privacy Act: The following notice is furnished in compliance with the Privacy Act of 1974:

The information is solicited under the authority of the National Foundation on the Arts and the Humanities Act of 1965, as amended, 20 U.S.C. 956. This information is needed to process the grant application and for statistical research and analysis of trends. The routine uses which may be made of this information are: general administration of the grant review process; statistical summaries; Congressional oversight; and analysis of trends.

Block 1—Individual Applicant or Project Director

Item a. If the application is submitted through an institution or organization, enter the name and mailing address of the person who will carry out the project or be chiefly responsible for directing it. Information about an institution is also requested in blocks 2 and 11. When an application is submitted by an individual, the name and address of the individual applying should be indicated.

Item b. Indicate number corresponding to preferred form of address:

1—Mr.	3—Miss	5—Professor
2—Mrs.	4—Ms.	6—Dr.

Item c. Whenever possible, one of the telephone numbers listed should be a number at which a message can be left.

Item d. If possible, please indicate the code for the appropriate field from the "Field of Project" list found on the reverse side of the Application Cover Sheet.

Block 2—Type of Applicant

Square B has been already checked.

Identify *Type* such as: Business, Religious, Museum, Historical Society, Government (state, local, etc.), Public Media (TV, radio, newspaper, etc.), Educational (2 yr. college, 4 yr. college, etc.), Library (public, research, etc.), Center (advanced study, research, etc.).

Identify Status as either Private Nonprofit or Unit of State or Local Government.

E.g., *Type:* Historical Society. *Status:* Private Nonprofit.

Block 3—Type of Application

Check appropriate type:

a. New—application for this project submitted to NEH for the first time.

b. Revision and Resubmission—a version of the application for this project submitted to NEH previously but not funded.

The categories "renewal" and "Supplement" do not apply to Challenge Grants.

Block 4—Program to Which Application is Being Made

This information is pre-printed on your form. Pre-printed forms insure that the applicant has the correct instructions for the specific program (Challenge Grants).

Block 5—Requested Grant Period

The grant period begins on the date funds are first raised to match the challenge grant (no earlier than December 1, 1984; no later than January 1, 1986). The grant period closes on July 31 the year *after* the last fiscal year in which you request federal funds.

Block 6—Requested Amount NEH Funds

Enter on lines a, b, c the *federal* funds requested in fiscal years 1986, 1987, and 1988 respectively. If requesting funds for less than three fiscal years, enter —0— on the appropriate lines. Line e should be three times the amount of total federal funds requested.

Block 7—Field of Project

Not applicable.

Block 8—Descriptive Title of Project

This block has been preprinted; no further information required.

Block 9—Description of Project

Provide a brief description of the proposed project. Do not exceed the space provided.

Block 10—Will This Proposal Be Submitted to Another Government Agency or Private Entity for Funding?

This information is sought without prejudice to the application. The Endowment frequently co-sponsors projects with other funding sources. If not applicable, indicate "N/A."

Block 11—Institutional Data

Item a. Indicate the name of the institution and the city and state of its official mailing address.

Item b. Indicate the name and title of the person who is authorized to submit applications on behalf of the institution or organization. That person must sign and date the application.

Item c. Indicate here the name, mailing address, form of address (see instructions for 1b), and telephone number of the person who will be responsible for the financial administration of the grant if the award is made. For example, at many universities the Provost, Vice President, President, or Chancellor is the person "authorized" to submit an application (see item b), but the actual administration of the project—e.g., negotiating the project budget, ensuring compliance with the terms and conditions of the award—is the responsibility of a Grants or Research Officer. It is the latter person who should be listed here.

NEH Application Cover Sheet

1. Individual Applicant or Project Director
a. Name and Mailing Address

_____
(Last)   (First)   (Initial)

_____

_____

_____
(City)   (State)   (Zip)

b. Form of Address [____]

c. Telephone

Office _____ Ext. _____

Home _____

d. Major Field of Applicant
or Project Director _____ [____]

e. Citizenship ☐ U.S.
                   ☐ Other _____
                              (Specify)

2. Type of Applicant
a. ☐ By an Individual   b. ☒ Through an Org./Inst.
If a., indicate an institutional affiliation, if applicable, on line 11a.
If b., complete block 11 below and indicate here:
c. Type
d. Status

3. Type of Application
a. ☐ New
b. ☐ Revision and Resubmission

4. Program to Which Application is Being Made

Challenge Grants   [____]

5. Requested Grant Period

From: (Mo./Yr.) _____ To (Mo./Yr.) _07/31/_____

6. Requested Amount NEH Funds

a. FY _____ $_____
b. FY _____ $_____
c. FY _____ $_____
d. Total $_____
e. Nonfederal Match $_____
f. Total $_____

7. Field of Project **n/a** [____]	8. Descriptive Title of Project **Challenge Grant**

9. Description of Project (do not exceed space provided)

10. Will This Proposal Be Submitted to Another Government Agency or Private Entity for Funding?
If Yes, indicate where and when:

11. Institutional Data
a. Institution or Organization: _____
                                 (Name)   (City)   (State)
b. Authorizing Official: Name _____
                                 (Last)   (First)   (Initial)
Title: _____ Signature: _____
                                                                      (Date)
c. Institutional Grant Administrator—Name and Mailing Address:

_____
(Last)   (First)   (Initial)   Form of Address [____]

_____

_____   Telephone: _____
(City)   (State)   (Zip)

(For NEH Use Only)

Date Received
Application #
Initials

Field of Project Categories and Codes

The following categories and codes should be used to complete blocks 1d and 7 of the NEH Application Cover Sheet. If the specific field of your project is not included in this listing, select the appropriate major field. (This listing is strictly for use by NEH staff to help retrieve information requested on grants and applications in specific disciplines of the humanities. The listing is not intended to be comprehensive, nor does it represent preferred funding categories. The "hierarchical" arrangement is for convenience.)

Anthropology   L1

Archaeology   U6

Archival Management/Conservation   I1

Arts, History and Criticism   MA

Architecture: History & Criticism   U3
Art: History and Criticism   M1
Dance: History & Criticism   M3
Film: History & Criticism   M4
Music: History & Criticism   M5
Theater: History & Criticism   M2

Communications   P2

Composition & Rhetoric   P1
Journalism   P4
Media   P3

Education   H1

Ethnic Studies   K1

Asian American   K5
Black/Afro-American   K4
Hispanic American   K3
Jewish   K6
Native American   K2

History   A1

African   A2
American   A3
Ancient   AC
British   A4
Classical   A5
European   A6
Far Eastern   A7
Latin American   A8
Near Eastern   A9
Russian   AA
South Asian   AB

Humanities   U8

Interdisciplinary   U1

African Studies   GI
American Studies   G3
Area Studies   GH
Asian Studies   G5
Classics   G7
Folklore/Folklife   R1
History/Philosophy of Science,
   Technology or Medicine   GA
International Studies   GG
Labor Studies   G4
Latin American Studies   GJ
Medieval Studies   G8
Regional Studies   GF
Renaissance Studies   G9
Rural Studies   GC
Urban Studies   G2
Western Civilization   GB
Women's Studies   G1

Languages   C1

Ancient   CC
Asian   CA
Classical   C2
Comparative   C9
English   CE
French   C3
German   C4
Italian   C5
Latin American   C6
Near Eastern   CB
Slavic   C7
Spanish   C8

Law/Jurisprudence   Q1

Library Science   H3

Linguistics   J1

Literature   D1

African   DK
American   DE
Ancient   DC
Asian   DA
British   DD
Classical   D2
Comparative   D9
French   D3
German   D4
Latin American   D6
Literary Criticism   DI
Near Eastern   DB
Slavic   D7
Spanish   D8

Museum Studies/Historic Preservation   I2

Philosophy   B1

Aesthetics   B2
Epistemology   B3
Ethics   B4
History of Philosophy   B5
Logic   B6
Metaphysics   B7
Non-Western Philosophy   B8

Religion   E1

Comparative Religion   E5
History of Religion   E2
Non-Western Religion   E4
Philosophy of Religion   E3

Social Science   U2

American Government   F2
Economics   N1
Geography   U7
International Relations   F3
Political Science   F1
Psychology   U5
Public Administration   F4
Sociology   S1

INSTITUTIONAL FACT SUMMARY

Following the cover sheet should be a summary of relevant facts about the institution or organization. This summary may be single-spaced but <u>should not exceed one page in length.</u> In addition to a statement identifying

the institution or organization,
year established or founded,
and institutional type,

the following kinds of information should be summarized:

<u>For Museums and Historical Organizations</u>

- Total attendance in 1982, 1983, and 1984
- Number of artifacts and documents in permanent collections
    Percentage exhibited or accessible to general public
    Percentage of collections in the humanities
- Number of temporary or special exhibits annually organized by applicant
- Number of education programs in 1984
    Attendance: in museum, in outreach
    Audience served
    Percentage of programs in the humanities
- Publications program, if applicable
- Size of staff
    Full-time professionals
    Part-time professionals
    Support staff
    Regularly scheduled volunteers
- Size of governing board, executive committee
    Length of term and manner of appointment
- Number of members
- Friends groups
- Admission fees
- Physical plant
    Square feet of exhibit space, storage space, office space
    Status of climate control, security, and fireproofing
- Accreditation or MAP program, if applicable

For Colleges and Universities

- Enrollment: Head count (full-time equivalents in parentheses)
    Number of undergraduate students
    Number of graduate students
    Number of continuing education students
    Number of residential students
    Number of commuting students
- 1984-85 tuition and fees
- Number of applicants for admission in 1982, 1983 and 1984
- Percentage of applicants offered admission in 1982, 1983, 1984
- Percentage of accepted applicants who matriculated in 1982, 1983 and 1984
- Faculty
    Full-time
    Part-time
    Percentage holding terminal degrees
    Percentage teaching within the humanities
- Number and types of degrees granted in 1983 and 1984
- Accreditation
- Library
    Number of volumes
    Percentage of holdings in the humanities
- Faculty salary range and mean salary by faculty rank
    Percentage of undergraduates courses in the humanities
    Percentage of undergraduates enrolled in humanities courses
    Percentage of students with humanities majors

For Public Libraries

- Population and geographic size of the area served
- Collections
    Number of volumes
    Number of periodicals, newspapers, etc.
    Number of nonprint items
    Special strengths or unique collections in the humanities
    Percentage of all collections in the humanities
- Hours open per week
- Annual circulation figures for each of the last three years
- Annual usership figures for each of the last three years
- Number of new card holders in each of the last three years
- Staff
    Full-time professionals
    Part-time professionals
    Support staff
    Regularly scheduled volunteers
- Size of friends group, if any
- Governing board
    Number
    How selected
- Physical facility
    Amount of stack space
    Amount of reading and study space
    Size of community or public meeting room, if any
- Percentage of annual operating income expended for library materials

Nonprofit Media Stations and Organizations

- Year station went on air
- Hours on air weekly
- Hours of humanities programming
- Status of organization: independent or university-affiliated
- Staff
    Full-time professional
    Part-time professional
    Support staff
    Students
    Volunteers
- Description of humanities programming
- Listing of recent humanities programs
- Audience profile
- Number of members for each of the past three years
- Friends group, if applicable
- Studio and production facilities

Professional Organizations and Societies

- Number of members for each of the past three years
- Membership profile
- Full-time staff
- Major journals and publications
    Percentage of content within the humanities
    Number of subscribers
    Subscription charges
- Annual meetings, symposia, and events sponsored
- Annual dues or membership fees for each of the past three years
- Membership or affiliation in other societies
- Governing board
    Number of trustees
    Length of term and manner of appointment
    Number of executive committee members
- Editorial board, if applicable
- Relationship to any host institution or organization

Other Organizations and Institutions

Using the kinds of information asked for above, other organizations and institutions should summarize relevant information about the organization's programs, management, and governance. Applicants are always welcome to discuss with Endowment program staff the kinds of information that ought to be included in this summary.

Financial Summary

Following the institutional fact summary sheet should be a one or two page summary about the institution's or organization's finances. The summary of income and expenditures should present data covering the last two completed fiscal years and estimated data for the current year. This information should pertain to annual operating budgets, exclusive of capital campaign or other special income and exclusive of capital project expenditures. On the following page is a suggested form of presentation. Please feel free to adapt it to your circumstances.

If applicable, please also list sources and amounts of contributions for capital projects and endowments, broken down by types of donors, during the same three fiscal years.

FINANCIAL SUMMARY SHEET

Institution/Organization:_____

Current Operating Income	FY 1983	FY 1984	FY 1985(Est.)

Contributed Income:
    Trustees or Governors
    Other Individuals
    Groups (Alumni, Friends)
    Corporations
    Private Foundations
    Local Government
    State Government
    Federal (Other than NEH)
    NEH Program Support
    Other (Explain)
      Subtotal:

Investment Income:
    Interest
    Dividends
    Endowment
    Other (Explain)
      Subtotal:

Earned Income:
    Admissions
    Tuition and Fees
    Sales and Subscriptions
    Memberships
    Sales of Capital Assets
    Other (Explain)
      Subtotal:
    Other Sources (Explain)

TOTAL OPERATING INCOME:

Current Operating Expenditures

    Administration
    Programs
    Maintenance and Operations
    Other (Explain)

TOTAL OPERATING EXPENDITURES:

EXCESS (DEFICIT) FOR YEAR:

CURRENT FUND BALANCES

Estimate of Percentage of Current Operating
    Expenditures Attributable to the
    Humanities:

Endowment

> Market Value
> Book Value
> Total Current Yield (Percentage)
> Yield Reinvested (Percentage)
> Yield Expended (Percentage)

Other Assets

> Replacement Value of
>   Plant and Equipment
> Book Value of Plant and Equipment
> Other (Explain)

THE PROPOSAL NARRATIVE

The narrative is both head and heart of an application. It should be a coherent argument for funding in light of the mission, needs, and potential of the applicant and should present a financial picture of the organization and lay forth plans for raising matching funds.

Applicants should regard the proposal narrative as an opportunity to describe to readers what their institution or organization is, what its primary mission is, and what it does in the humanities. Are all programs and activities within the humanities? If not, what proportion are and by what criteria? What are the strengths and weaknesses of the humanities programs and resources? How will the planned use of a challenge grant strengthen and improve the quality of the work the institution or organization is doing in the humanities? What financial needs and resources does the institution have? How will the grant contribute to the long-range financial stability of the institution's work in the humanities? What plan will be followed to raise gifts? What is the institution's fund-raising history?

Because a challenge grant supports institutional priorities, the applying institution or organization must present evidence of long-range financial and program planning completed prior to the drafting of the proposal itself. In some measure, a challenge grant application is a long-range planning document. The authors of the proposal should avail themselves of counsel from the financial, managerial, and program personnel of the institution. Certainly, boards of governors or trustees ought to be involved to the degree possible, and their support of the proposal should be assured.

Before starting to write the narrative, applicants should review the evaluation criteria listed on pages 11-12. Reviewers are asked to apply these criteria as they evaluate challenge grant applications. Also read the section entitled "Common Pitfalls" on pages 29-30.

The Endowment does not stipulate a specific length for the narrative, but applicants should keep in mind that panelists usually must read about thirty challenge grant applications before meeting in Washington to discuss the merits and weaknesses of each application. Thus the document should be organized clearly but, for the sake of brevity, should not neglect to present a coherent and complete case. It is often possible to provide more detailed information in an appendix while making a concise, informative statement of an important point in the narrative itself. Many an excellent application has been able to present its case in twenty or so doubled-spaced typewritten pages. A narrative of thirty double-spaced pages is probably longer than necessary.

While the following questions are not all-inclusive, nor all necessarily germane to your proposal, they describe issues Endowment staff and panelists consistently ask of challenge grant applications. Certainly, no coherent application would merely answer each question in turn; however, we would hope that the answers to many of these questions would inform the text of an applicant's narrative ("organization" and "institution" are interchangeable in the questions):

- What is the organization's mission? What does it propose to be as an organization in five years? How significant for the humanities are its work and its goals?

- What does the organization mean by "the humanities"? Are its programs and activities really within the boundaries of the humanities? If some are and some are not, what proportion are and what is the basis of this calculation? What is the content of the humanities programs? To what extent has the content of programs been informed by humanities scholarship?

- What specific examples of curricula, programming, research, interpretation, or publication demonstrate commitments to sustaining or improving the quality of learning, teaching, or research within the humanities?

- Who are the students, members, visitors, audience who attend, view or participate in the organization's programs? What is the size and nature of the community served by the organization?

- What is the institution's relationship to other institutions of similar type or other institutions geographically nearby?

- What is the evidence of institutional long-range planning? What are the short- and long-term priorities? Is it clear in the application how the challenge grant proposal fits into these priorities?

- What are the strengths and weaknesses of the current collections, holdings, programs, publications? Will the proposed challenge grant expenditures be the best means of strengthening or improving the quality of programs and activities at this time? Why? Are the uses of the funds clearly defined in the proposal?

- Who is responsible for developing humanities programs? How will they be involved in the challenge grant goals?

- In what ways are the institution's administrators and trustees committed to the proposal? Who was involved in the genesis of the proposal? What is the evidence that faculty or program personnel are committed to the proposal's goals?

- What is the organization's financial history? Is it in financial difficulty? Does it have a real and documented need for financial growth? Is the amount requested too much or too little to accomplish the purposes proposed?

- What have been the traditional sources of income? How successful have fund-raising efforts been in the past? What is the history of fund raising specifically for the humanities? How adequately has the institution assessed its potential for raising funds? Has there been a feasibility study? Who will manage the fund-raising campaign? What are their backgrounds? If the challenge grant is part of a larger campaign, how does it fit into the overall purpose, timing, and strategy?

- What is the fund-raising plan? Is the timing reasonable? Do the annual goals seem feasible given the potential donors? Are trustees or board members actively involved in fund raising for the challenge grant? Who are principally involved and what are their backgrounds?

- How well documented and compelling is the need for this grant, these programs, and this institution?

- (For requests to support endowment or cash reserves) What is the present management policy for endowed funds? Is there a reinvestment policy? What has been the annual return? What is it likely to be?

- (For requests to support renovation or repairs) How will the plans to renovate support specific program goals in the humanities? Are the architectural plans completed, and are anticipated costs reasonable? What is the timetable? Are there plans for barrier-free access to the handicapped? Do the plans meet historic preservation requirements? Will there be additional operating costs resulting from the renovation; if so, how will they be sustained?

- (For requests involving acquisitions or equipment) How will these acquisitions enhance teaching or learning in the humanities? Will the plans really contribute to long-range financial growth? How will additional costs to manage or operate the acquisitions or new equipment be supported within future operating budgets? Will they be solely for humanities purposes during and after the grant, or what percentage will support the humanities?

- (For endowed chairs) Are funds merely a form of salary supplement, or does the chair fit programmatically within the institution? What are the criteria for selecting candidates?

- (For fund-raising costs) Do challenge grant fund-raising costs exceed the institution's existing fund-raising capability? Are the costs reasonable in proportion to the size of the campaign? Will the increased capability continue after the challenge grant period?

- (For requests for second-time challenge grant awards) What were the federal, nonfederal, and combined amounts of the first grant? What were the itemized actual expenditures and how do these compare with the originally proposed expenditures? How does the institution evaluate the results of the grant?

The proposal must include, in an appendix if desired, a paragraph describing pertinent NEH grants to the institution in the past two years and any pertinent pending NEH applications. If the applicant has held an NEA challenge grant, there should be a brief description of work accomplished with the grant. If the applicant has applied for or has received a Department of Education Title III grant for Developing Institutions, the differences between the Title III grant and the challenge request must be explained. Finally, if the applicant has received a grant from the Institute for Museum Services during the past two years, the purposes of such grants and how they differ from the challenge request should be described.

A table of contents, including appendices and listing supplementary materials should precede the proposal narrative. To allow readers to notate copies and for ease of reading, the narrative should be typewritten and double-spaced.

Challenge Grant Budget

Please provide a clearly itemized one-page summary budget describing how all challenge grant funds--federal and nonfederal--would be expended. This summary budget should be attached on a separate page at the conclusion of the narrative.

Current Operating Budget

Following the challenge grant budget and attached to each copy of the proposal narrative should be a copy of the current operating budget as approved by the trustees and governors. If this document is unusually long or cumbersome, a suitable abstract is appropriate.

Lists of Trustees and Staff

A list of the institution's board of governors or trustees with their professional affiliations and a list of staff and faculty members principally involved with the challenge grant, indicating their professional qualifications, should be attached to each copy of the proposal.

Two Sets of the Most Recent Audited Financial Statements

Endowment staff review the official audits for the two most recently completed fiscal years. Furthermore, these audits are available for panelists to review when they meet in Washington to discuss applications. The audits should be submitted in the application package but should not be attached to any of the other documents.

The IRS Determination Letter

If nonprofit organizations or institutions hold letters from the U.S. Internal Revenue Service declaring the institution or organization exempt from certain types of taxes, a copy of that letter should be included with the application package.

Letter from the State Historic Preservation Office

The Endowment requires challenge grant applicants to determine whether a property involved in renovation through a challenge grant is listed, or is eligible for listing, in the National Register of Historic Places. This register, maintained by the Secretary of the Interior, is a list of districts, sites, buildings, structures, and objects of national, state, or local significance in American history, architecture, archaeology, and culture.

If proposing any building renovations or additions (no matter what the age of the current structure is), applicants should consult the appropriate state historic preservation officer to determine if a property is listed, or eligible for listing, according to National Register criteria. The preservation officer bears responsibility for evaluating the significance of buildings in each state.

The opinion of the preservation officer about whether the property is eligible for the National Register should be forwarded to the Endowment with the application. If it is determined that a property is eligible for listing, the applicant should also forward the written comments of the preservation officer as to the proposed project's effect on the building. A description, statement of significance, photographs of the property, a map for the property, and any other such documents suggested by the preservation officer should be included as supporting materials.

The Endowment will use this information to satisfy the agency's responsibilities under Section 106 of the National Historic Preservation Act of 1966 (16 USC 470f) as amended concerning determination of eligibility and potential adverse effect.

Supplementary Materials

The application narrative and other required sections ought to make the case for funding and provide all information sufficient for panelists to make recommendations. However, should an applicant wish to append supplementary materials such as catalogues, brochures, program descriptions, or planning abstracts, they may, of course, be attached. We ask that you keep such additional materials to a minimum. Often panelists appreciate an opportunity to examine an institution's catalogue, a copy of the most recent annual report, the standard public information brochure, the most recent organizational newsletter, the current issue of a publication, or other example of what the organization represents. If preferred, applicants may submit under separate cover two sets of supplementary materials, which the Office of Challenge Grants will hold available for panelists to see when they meet in Washington to discuss applications. This second option might prevent an application from becoming cumbersome. Applicants requesting funds for renovation must submit one copy of appropriate architectural plans or drawings and may also wish to include photographs of existing structures to demonstrate the need for renovation.

Preparation and Packaging of the Application

The application should be typewritten, and the narrative should conform to standard manuscript presentation--double-spaced text on one side of a page only, and each page sequentially numbered. The single-page information summary and financial summary may be single-spaced. Because applications are mailed to panelists soon after their receipt at the Endowment, we request that applicants not use heavy covers, laminated notebooks, or other methods of binding that add unnecessary weight to the documents.

What Are the Chances?

In the most recent review of challenge grants, the Endowment offered forty-six awards from among 222 applications (21 percent). The average offer was $340,000. The smallest offer was $17,500; the largest, $1 million.

Since the beginning of the Challenge Grants Program in 1977, institutions and organizations that did not receive an offer in response to a first application nonetheless have competed very well with revised proposals. Typically about 35 percent of the applicants in a grant cycle are submitting revised proposals, and their success rate has been nearly twice the overall average.

Common Pitfalls

Following are paraphrases of panelists' comments describing reasons an application might not be recommended for funding:

● The application fails to explain how grant expenditures for the new wing (new staff, expanded programs) will be sustained after the grant period; the enterprise will likely strain an already overburdened operating budget.

● There is no evidence that grant funds will do more than support a project; there is no real capital growth as a consequence of the grant.

● After reading the application, we have no idea what the real content and quality of the humanities offerings are at this institution, what kind of books the students read, if the curriculum is reasonable and informed, how the interpretation of the collections (historic house, site) increases understanding of a humanities discipline.

● The proposed expenditures plan is not described in sufficient detail to assess the effects of such expenditures on either the quality of humanities activities or long-term financial and programmatic development of the institution.

● The applicant has requested support for different programs and purposes within the humanities which, together, do not present a coherent argument. There are too many bits and pieces with no overall rationale for the importance of individual components within the long-term priorities of the institution.

● It looks as if the request for endowed chairs is merely a means to supplement faculty salaries; there are no criteria presented for the selection of candidates, no arguments for the relationships among the chairs, faculty development, and programs, and no rationale why these disciplines should be elevated at this institution in this manner.

● The applicant cites its public affairs programming as humanities programming; there is no reason to presume such programs are humanities-oriented without a clearer understanding of their content.

● While all the proposed grant activities are reasonable, there is nothing compelling about the application. Why does the institution need this money for these programs at this time? Even though funds may improve financial stability, the uses have little or no impact on the quality of humanities resources or activities.

● The fund-raising plan is almost nonexistent; there is no indication that the organization has actually surveyed its potential for raising funds or identified prospective donors; there is no indication of much experience in fund raising; there is no evidence that the board has endorsed the plan let alone become involved in it. The fund-raising plan for the challenge grant has yet to be developed.

● The request seems to be a short-term stopgap for other lost revenues; we have no sense of any long-range planning or establishment of priorities of need; nor is there any evidence of institutional commitment to the humanities.

● The applicant for a second-time award devotes only two lines to the first grant; there is no compelling case, therefore, for a second time award based upon the experience of the first.

● The application is tedious in its length and overburdens a reader with extraneous detail, which has little bearing upon the actual proposed uses; in consequence, the plan for expenditures and for raising funds is difficult to uncover and causes one to wonder if all plans are truly carefully thought through.

Examples of Challenge Grants

The following examples of challenge grants are syntheses and abstracts of activities, programs, and plans funded through the program. No single example represents a specific institution or organization but collectively they suggest the range of plans that may merit challenge grant support.

Example:

A small historical society on the West Coast boasts a valuable collection of artifacts from the period of the American westward movement. Although the regular membership and annual attendance of the society have remained stable, the society has not been able to provide school education programs because the budget would not support a museum educator. Furthermore, the society owns a rare set of migrant journals and diaries which have begun to suffer deterioration. Through a challenge grant, the society proposes to mount a fund-raising campaign to solicit support of area residents and businesses, increase its membership, and through greater visibility and better programs attract more visitors. Some of the funds raised will be spent as soon as they are received to restore and preserve the most damaged manuscripts; the rest of the money will establish an endowment out of which the society will support a new staff position for a museum educator and undertake a continuing program of document conservation.

Example:

A small, Midwestern liberal arts college enjoys a reputation for a rigorous undergraduate program. Forty percent of its distribution requirements are within the humanities, and the college offers an invitational junior honors program that provides study of a historical period, a literary tradition, a major philospher, or a classic text in accord with a rotating curriculum developed by the faculty. The college maintains historic Original Hall, the first college building. Eighty percent of the classes taught in this building are in the humanities. Costs of maintaining the one-hundred-year-old building have soared, and the college has determined that the renovation of the building into a comfortable and energy-efficient plant is a major institutional priority. Included in the plans are the development of greater space for the humanities honors seminars and the provision of an attractive environment for the study of humanities. The college proposes to undertake renovation with funds gathered by means of an Endowment challenge grant. In addition, the college will establish both a maintenance endowment for long-term upkeep of the building and an endowment to support the honors seminars. Of course, no more than 80 percent of the expenses for renovation will be supported by means of the challenge grant funds.

Example:

A large metropolitan art, history, and natural science museum estimates that fully 30 percent of its collections and programs are solidly within the humanities according to criteria developed by the program staff. To support growing interest in its collections, the museum proposes to add a wing to its facility; 25 percent of the new wing will be used for programs and exhibits clearly within the humanities. Furthermore, the museum intends to hire a new curator who will spend 25 percent of his or her time maintaining the museum's humanities collections. The institution requests a challenge grant to raise funds for 25 percent of the cost of the new wing and for 25 percent of a permanent fund to support the new curatorial position. The challenge campaign will be part of a major fund-raising effort, and some of the general campaign funds will increase the building fund so that maintenance of the new wing will not burden existing budgets.

Example:

A modest but heavily used public library in the Mid-Atlantic region during the winter regularly sponsors a lecture series on a variety of topics. Those who attend prepare by reading sets of materials, which the library has on reserve. In addition, because of a leveling of state and local tax support, the library has not been able to purchase books to the extent the librarians have deemed appropriate for an institution its size. Through an Endowment challenge grant, the library board proposes to raise sufficient funds to endow that portion of the lecture series devoted to topics within the humanities. Furthermore, the library will add to an existing acquisitions endowment so that a portion of the endowment will become restricted to humanities texts and materials.

Example:

A professional society headquartered in the Northeast and devoted to the
advancement of a discipline traditionally recognized as one of the humanities has
incurred a modest operating deficit because of increased publication costs and has
lost income on its most recent issue of its professional journal. The society
applies for a Endowment challenge grant in order to raise sufficient funds to
eliminate the accumulated deficit; to establish for the journal, a modest endowment
that will provide a yearly subvention and contingency; and to employ for three
years a professional fund-raising officer. At the end of three years, the society
will retain the fund-raising officer at its own expense if warranted.

Example:

A regional public radio station in the Southwest has built a reputation for
its imaginative general programming but particularly for its special programs on a
variety of humanities topics and texts. To continue supporting original local
programming, the station applies for an Endowment challenge grant to establish a
programming fund, which will provide annual support for efforts to broadcast
humanities issues. Fund-raising efforts are to focus upon local listeners and
increased pledges although the station director has also received a promise of a
special state appropriation should the station receive the grant.

Example:

A modest-sized but highly regarded university press in one of the Rocky
Mountain states publishes about thirty new titles, six of which each year represent
work clearly within the humanities. Although the press has never before engaged in
fund raising, its board has elicited the interest of one national foundation, two
local corporations, and the membership of three professional societies for
supporting an endowment to provide annual subventions for titles within the
humanities. The governors of the press have also received the promise of
fund-raising assistance from the university's development office. The press
applies for an Endowment challenge grant that promises to focus its fund-raising
efforts and generate sufficient support to initiate the endowment.

Example:

A reputable and large private university has established a worldwide
reputation for the study of a set of humanities disciplines. Part of the
reputation emerged from the establishment seven years ago of a formal center for
the advanced study of these disciplines. To serve the growing demands for its
resources while providing opportunities for scholars to meet at the center, the
university proposes to establish one permanently endowed chair within the center
and two visiting professorships. A planning group has carefully outlined criteria
for selection of the chair's holder as well as for the visiting scholars. Through
a challenge grant campaign, the institution will seek support from variety of
private funding sources.

Example:

A large, urban community college district, mindful that some of its associate degree students will be continuing their undergraduate work in the state university system, has introduced a substantive general education requirement for all its students in the history of ideas. The program involves the use of major humanities works and of community resources, such as the materials and personnel of historical associations, museums, and galleries. The program will require extensive additions to the college's library. The district has reason to believe that once the community has evidence of the program's value, it will support the program both conceptually and financially. Outright grant funds from the Endowment's Division of Education Programs will support development of the general education curriculum. Through an accompanying challenge grant, the college proposes to establish over a three-year period an endowment for the program so that continued planning, hiring of additional faculty members, increased annual library purchasing, and renovation of an existing building can occur. The district will sponsor a three-year capital campaign both to raise endowment funds and to carry to its community the merits of the program. Through this comprehensive process of program planning and long-range financial development, the district believes it can make its case, assure itself a larger budget for the humanities, continue community contributions in support of the program, and establish a permanent capital resource that will obviate a need to return continually to national sources of funding.

Example:

A highly respected scholarly organization proposes to sponsor a series of three seminars in three different areas of the country to which eminent scholars in history, philosophy, and jurisprudence will be invited to lead colloquia on selected topics pertaining to the Bill of Rights. The organization proposes that in consequence of these seminars it will publish a series of Festschriften, dedicated to former society presidents and based upon the scholars' presentations. In time it hopes to develop a monograph series and continue the seminars as a regular program component. Through funds from the Endowment's initiative on the bicenntenial of the U.S. Constitution, the organization will inaugurate the seminar series and produce the first of the papers. In order to sustain the program beyond the direct funding period, the organization proposes to engage in a major capital campaign supported by a challenge grant; at the end of the campaign, an established cash reserve will provide support for the program and allow study of other constitutional topics of both general and scholarly interest.

ADMINISTERING THE CHALLENGE GRANT

Once the Endowment makes an offer to a challenge grant applicant, it sends to the applicant a copy of the program's Administrative Regulations. This document describes the process for certifying gifts, receiving federal funds, and filing reports. Any potential applicant may request a copy of this pamphlet by writing the Office of Challenge Grants.

Each challenge grant recipient may submit certifications for amounts no less than $1,000 as often as once every six weeks during the grant period; a recipient must certify funds raised before July 31 of each grant year. The recipient must also submit to the Endowment an annual narrative report describing the effects of the grant upon programs and activities, the progress of the fund-raising campaign, and the degree to which goals outlined in the application have been met.

Within three months after the completion of the full grant period, a recipient must submit to the Endowment a final narrative report. This report describes the raising and disposition of grant funds, the impact the grant has had on both fund raising and programs, the degree to which original project goals have been met, and the consequences of the grant upon the institution's long-range planning.

Attached to the final report must be a statement of total grant income and expenditures. If all required nonfederal matching funds are received and certified prior to the formal closing date of the grant, a recipient may submit the final report early.

A grant recipient must keep all challenge grant records on file for a minimum of three years following the completion of the grant period.

BICENTENNIAL CHALLENGE GRANTS

In general, challenge grants do not support projects in a standard sense; they stimulate fund raising to provide institutional support and encourage development of capital resources, which through the return of annuities, support programs, personnel, activities, and other needs. Therefore, the usual project of a challenge grant is fund raising per se. However, by virtue of a provision in its authorizing legislation, the Challenge Grants Program can provide direct project support—again, on a matching-grant basis—for programs that encourage a continuing observance of the bicentennial period. The Office of Challenge Grants coordinates the receipt and review of applications for these bicentennial challenge grants with the Endowment's initiative on the bicentennial of the U.S. Constitution. Interested applicants should discuss plans with Endowment staff.

EQUAL OPPORTUNITY

The Code of Federal Regulations, Title 45, Part 1110, implements provisions of Title VI of the Civil Rights Act of 1964, and along with Title IX of the Education Amendments of 1972, Section 504 of the Rehabilitation Act of 1973, and the Age Discrimination Act of 1975, provides that the National Endowment for the Humanities is responsible for insuring compliance with and enforcement of public laws prohibiting discrimination because of race, color, national origin, sex, handicap, and age in programs and activities receiving federal assistance from the National Endowment for the Humanities. Any person who believes he or she has been discriminated against in any program, activity, or facility receiving federal assistance from the Endowment should write immediately to the director, Office of Equal Opportunity, National Endowment for the Humanities, 1100 Pennsylvania Avenue, N.W., Washington, D.C. 20506.

Note:

If a proposed project relates to American Indians, Aleuts, Eskimos, or native Hawaiian people and artifacts, an applicant should obtain from the Endowment a copy of its code of ethics concerning native Americans. The code establishes certain standards of conduct in research, publication, and public programs involving native American peoples.

HANDICAPPED ACCESSIBILITY

Institutions receiving Endowment support must conduct their operations in accordance with section 504 of the Rehabilitation Act of 1973 prohibiting discrimination against the handicapped: "No otherwise qualified handicapped individual in the United States . . . shall, solely by reason of his handicap be excluded from the participation in, denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance" (PL 93-112) (29 U.S.C. 794). As an indication that facilities proposed for capital improvements will accommodate the handicapped, applicants should include in proposals a brief discussion of plans or designs for barrier-free access.

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