

Glossary of Grant & Contract Terms

The following list of definitions for common grant and contract terms is being provided for general reference only. In some grant programs, the words may have more specific definitions and meanings. When applying for grant funding, definitions in the related program and/or grant guidance documents should be utilized.

Allocation

The process of assigning a cost to one or more objectives.

Allowable Cost

A cost that the funding agency will reimburse under the terms of the grant or contract being awarded. They must be:

1. reasonable,
2. allocable to the sponsored agreement,
3. given consistent treatment appropriate w/General Accepted Accounting Principles (GAAP), and
4. conform to the limitations set forth in the agreement.

Applicant

The person or organization submitting a request to obtain funding.

Appropriation

The amount of funds Congress (for Federal funding) or any other government, public or private entity makes available for a grant program in a fiscal year.

Assurances

Legally binding statements signed by the applicant which states the applicant will do or will refrain from doing certain things.

Authorization

The funding ceiling Congress (for Federal funding) or any other government, public or private funding entity sets aside for each grant program.

Authorized Funding

The amount of funds a grantee may spend during the project period.

Award Letter/Notification of Award (NOA)

Notification in writing that a grant or contract has been awarded; usually includes amount and award period.

Award Period (Grant Period)

The length of time a grant is active. This may include one or more budget periods, and identify the start and end dates for spending the grant funds and conducting project activities.

Block Grant

Funds provided chiefly to general purpose governmental units in accordance with a statutory formula for use in a broad functional area, largely at the recipient's discretion.

Budget

A budget identifies the type of expenses and revenue needed to complete the project. The budget must be approved by the funding agency. This budget will be the basis for authorizing all expenditures on the project and the basis for seeking payment (reimbursement) from the funding agency.

Budget Period

The period of time during which a particular increment of funding can be expended.

Budget Narrative

To detail and define the financial information presented in the budget summary; to include how each figure was calculated and determined.

Budget Summary

The sum totals, subtotaled by category, of the costs associated with the performance or implementation of a project.

Capital Grant

Funding for construction or capital equipment.

Catalog of Federal Domestic Assistance (CFDA Number)

The identifying number assigned to each federal grant program by the Catalog of Federal Domestic Assistance. The CFDA website, <http://www.cfda.gov>, contains the most current published information. The CFDA will be migrated into the new System for Award Management, or SAM.

Central Contractor Registry (CCR)

Starting in July of 2012, the Central Contractor Registration (CCR) system will no longer be in use. CCR, along with Federal Agency Registration (FedReg), the Online Representations and Certifications Application (ORCA), and the Excluded Parties List System (EPLS), will be migrated into the new System for Award Management, or SAM. Moving the CCR system to SAM is part of the first phase to combine eight federal procurement systems and the Catalog of Federal Domestic Assistance (CFDA) into one new system. The first phase also integrates the Federal Agency Registration (FedReg), the Online Representations and Certifications Application (ORCA), and the Excluded Parties List System (EPLS). SAM will streamline and integrate processes, reduce the number of passwords to remember, reduce the number of systems to interact with, eliminate data redundancies by sharing data across the award life cycle, and reduce costs while providing improved capability.

Competitive Grants

Grants for which federal or other funding agencies solicit proposals and rate them on a competitive basis to determine which proposals are worthy of funding. In the Catalog of Federal Domestic Assistance, these grants are identified as “project grants”.

Consortium

The joining together of several agencies or organizations for the purpose of submitting a single project application.

Contract

A written agreement that defines how a business relationship will be managed.

Corporate Grant

A private sector grant awarded by a corporation.

Direct Costs

Expenditures associated with grants and contracts that are necessary for and can be specifically identified with the performance of a sponsored project, and can therefore be charged to it. In order for an expense to be eligible for reimbursement against a grant or contract as a direct cost, it must be allowable, reasonable, allocable and timely; and must meet all documentation requirements.

Discretionary Grants

Competitive grant programs in which the applicant designs the proposal, and the funding agency ranks the proposals received. This gives the funding agency the discretion to determine which recipients will receive funding. Also known as competitive grants or project grants.

Drawdown

The method by which a grantee requests payment from the funding agency.

D-U-N-S

The Data Universal Numbering System, abbreviated as DUNS or D-U-N-S, is a system developed and regulated by Dun & Bradstreet (D&B) that assigns a unique numeric identifier, referred to as a DUNS number, to a single business entity. The Office of Management and Budget, a United States federal agency, announced in the June 27, 2003 issue of the Federal Register (68 FR 38402) that a DUNS number would be required for all grant applicants for new or renewal awards submitted on or after October 1, 2003. The DUNS number supplements other identifiers, such as the EIN, and is required whether the application is made electronically or on paper.¹

E-Application

An electronic grant application system. Most federal grants can be found and/or applied for on-line at <http://grants.gov/>. Some applications may be electronically submitted at the funding agency's website.

Entitlement Grant

A type of mandatory grant where there is no upper limit on the amount of funds the Federal Government will pay for allowable services and activities. Example: Child Support Enforcement and Establishment of Paternity.

Excluded Parties List System (EPLS)

The EPLS is a single comprehensive list of individuals and firms excluded by Federal government agencies from receiving federal contracts or federally approved subcontracts and from certain types of federal financial and nonfinancial assistance and benefits. The EPLS is used to keep agencies abreast of administrative, as well as, statutory exclusions taken throughout the Federal Government. Actions may be taken under the Federal Acquisition Regulation (FAR) or supplements thereto, under specific agency regulations or under the Government-wide Nonprocurement Suspension and Debarment Common Rule [[68 FR 66533](#)] or other specific statutory authority.² EPLS and other systems will be migrating to the System for Award Management (SAM) at the end of July 2012

¹ http://en.wikipedia.org/wiki/DUNS_NUMBER#Details

² <https://www.epls.gov/epls/jsp/FAQ.jsp#1>

Information found on the EPLS is used to determine if the organization/vendor should not be considered for award of a federal grant, subrecipient agreement, or contract.

Federal Funding Accountability and Transparency Act (FFATA)

The FFATA Subaward Reporting System (FSRS) is the reporting tool Federal prime awardees (i.e. prime contractors and prime grants recipients) use to capture and report subaward and executive compensation data regarding their first-tier subawards to meet the FFATA reporting requirements. Prime grant awardees will report against sub-grants awarded. Direct recipients of awards of \$25,000 or more are required to report award information on any first-tier subawards totaling \$25,000 or more. The sub-award information entered in FSRS will then be displayed on www.USASpending.gov associated with the prime award furthering Federal spending transparency.

Federal Register (FR)

The official journal of the United States federal government, published daily, in which all federal grants approved by Congress, are published.

Fiscal Year

A twelve month period for which an organization plans the use of its funds; for the Federal government, the fiscal year runs from October 1 through September 30; for the State of Maryland, the fiscal year runs from July 1 through June 30.

Formula Grant

Funds made available based on a formula prescribed in legislation, regulations, or policies of the agency; formula grants are non-competitive. These grants are sent directly to the state who disburses the monies according to a formula.

Foundation Grant

A private sector grant awarded by a foundation.

Forward Funding

Funds appropriated/received in one fiscal period to be used in another fiscal period i.e., grant funding is received prior to the actual expenditures.

FTE (Full-Time Equivalent)

The amount of time, credit, or cost associated with one full-time person or student.

Gift/Donation

An irrevocable transfer of funds for a charitable purpose designated by the donor without expectation of a tangible or economic benefit to the donor. Non-restricted gifts may be used however the recipient wishes; restricted gifts must be used for the specific purpose designated by the donor.

Grant (Cooperative Agreement)

Per the Federal Grant and Cooperative Agreement Act of 1977, the primary beneficiary under a grant or cooperative agreement is the public, as opposed to the Federal Government. The distinguishing factor between assistance in the form of a grant or a cooperative agreement is the degree of Federal participation or involvement during the performance of the work activities.

If the federal agency, usually the Project Officer, participates in project activities, then a cooperative agreement is the proper funding mechanism. If the funded activities meet the

definition of assistance and no substantial involvement by the funding agency is anticipated, a grant must be used to fund the project.

Grantee (recipient)

The person or entity that receives funding for a particular service or activity and is accountable for the use of these funds.

Grantor (sponsor/organization)

An external agency/organization that provides funding for an activity or service program.

Guidelines

A set of general principles used in judging proposals.

Indirect Costs

Expenditures that cannot be associated with a specific grant or contract, but are inherently needed for the support, development and maintenance of the institution in order for the project to proceed (overhead). These expenses include, but are not limited to, the maintaining of buildings, grounds and equipment, accounting services, and general administrative services. (F&A/Facilities and Administrative costs)

Indirect Cost Recovery

An approved amount/percentage charged to a specific project/grant to facilitate the administrative functions of the institution coordinating the program. Indirect cost recovery is generally calculated as either a percentage of direct project salary and fringe expenditures or a percentage of total direct costs minus any capital or equipment expenses.

Intergovernmental Review

Federal requirement that applicants notify their states of any proposals being submitted to a federal agency and allow the state to review and comment on the proposals. For the state of Maryland, the contact is: State Clearinghouse for Intergovernmental Assistance, Maryland Department of Planning, Linda C. Janey.

Letter of Support

A letter attached as an addendum to a grant proposal from an outside agency or organization expert or supporter of the project that states why he/she believes the project should be funded.

Letter of Commitment

A letter attached as an addendum to a grant proposal from an outside agency or organization expert that not only supports the project, but also commits resources to achieve the project goal(s) and describes the roles and responsibilities of the organization and /or partner.

Matching Funds

The dollar amount that the grantee or other outside party agrees to contribute to the project.

Cash Match (Hard Match)

Cash Match is the actual accumulated funds/dollars expended and recorded in the general ledger for support of a specific grant or contract.

- All cash match must be documented and the records retained in the specific project files for audit purposes. These records must show how the values placed on the match were derived.

In-Kind Match (Soft Match)

In-kind contributions may consist of services, equipment, or products contributed to the enhancement of a specific project/grant. In-kind match are not usually included in the project budget, and are therefore, not recorded in the general ledger. These contributions may come from either internal or external resources.

- All in-kind match must be documented and the records retained in the specific project files for audit purposes. These records must show how the values placed on the match were derived.

Cost Sharing

Cost sharing is the portion of total project costs not borne by the sponsor (granting agency/organization). They are resources contributed above the support provided by the external sponsor of the project. Other terms used are matching, third party, and in-kind contributions. Cost sharing may or may not be mandatory; but should be minimized whenever possible.

Project Directors/Cost Center Managers are responsible for securing all cost-share/Match requirements. Appropriate documentation must be submitted and approved prior to the proposal's submission.

Cost sharing is recorded in an unrestricted fund, for each agreement. This fund is identified with the sponsored fund it its title and numbering system.

- Costs used to satisfy matching requirements are subject to the same policies governing allowability as the other costs under the approved budget.
- Cost share/match can be either in the form of cash or in-kind. This may also be referred to as "hard" or "soft" match, respectively.
- Due to recent changes in OMB A-21, if cost-share is mentioned in the budget narrative, but not in the budget, it **MUST** be documented.
- Cost-share listed in the narrative must also be listed and labeled cost-share in the budget.
- All cost-share or match must be documented and the records retained in the specific project file for audit purposes. These records must show how the value(s) placed on the cost sharing amounts reported to the funding agency were derived.
- Un-recovered Indirect Costs may be included as part of the cost sharing commitment only with prior approval of the awarding agency.
- **NOTE:** Federal funds **CANNOT** be used as match for other projects that involve Federal funding.

Memorandum of Understanding (MOU), Memorandum of Agreement (MOA), Letter of Agreement (LOA)

A contract to provide/secure deliverables.

Notice of Federal Funding Availability (NOFA)

This notice addresses information on the program's purpose, eligibility requirements, application deadline, award amounts, and applicable compliance requirements.

OMB Circulars

Government wide policies set by the Office of Management and Budget to regulate the use of federal grant funds.

OMB Circulars and Title 2 CFR

| If you are a: Then follow these Circulars: <i>Note: if you are a pass-through entity you are required to possess functional knowledge of the circular applicable to your subrecipient</i> | State, Local and Indian Tribal Governments | Institutions of Higher Education, Hospitals, and other Nonprofit Organizations | For Profit Organizations |
|---|---|---|--------------------------|
| Uniform Administrative Requirements | A-102; Common Rule | 2CFR Part 215 (formerly OMB Circular A-110) | FAR 31.2 |
| Cost Principles | 2CFR Part 225 (formerly OMB Circular A-87) | <u>Higher Ed: 2CFR Part 220</u> (formerly OMB Circular A-21) <u>Nonprofits: 2CFR Part 230</u> (formerly OMB Circular A-122) <u>Hospitals (research & other activities): 45CFR 74, Appendix E</u> <u>Hospitals (Medicare): Title XVIII of the Social Security Act</u> | 48CFR 31.2 |
| Audit Requirements | A-133 | A-133 | FAR 31.2 |

Project

The proposed plan for which the grant funds are being requested.

Project Coordinator/Director/Manager

The individual designated by the grantee to be responsible for the administration of a project including project management, submission of all required documents, communicating with the grantor and other appropriate agencies, and carrying out of all project activities.

Project Period

The total time for which project activities will occur.

Proposal

The formal written document identifying and defining the components and costs of a specific program or project for consideration.

Pre-Proposal

The initial, rough-draft, version of the proposal.

Program Income

The gross income earned by an organization that is directly generated by an activity or earned as a result of an award. Program income includes income from fees for services performed, the use or rental of real or personal property acquired under federally funded projects, the sale of commodities or items fabricated under an award, licenses fee and royalties on patents and copyrights, and interest on loans made with award funds.

Regulations

Rules set by federal agencies to guide implementation of grant and other programs.

Renewal

To re-apply or obtain new or additional funding for a previously existing program.

Request for Application (RFA)

A call for grant applications in a simpler format than RFP (Request for Proposal).

Request for Proposal (RFP)

A publicized announcement asking for proposals targeted at a problem or program; it lists the project specifications, application procedures, and often includes the required forms.

Scope of Work

Part of a contract detailing the range of work to be completed by the grantee.

SF 424 (Standard Form 424)

The standard application form used by federal agencies for grants.

SF 425 (Standard Form 425) – Federal Financial Report

A standard report for reporting federal grant revenue, expenditures, and program income.

Sub-award/Sub-grant

Formula or competitive grants made from larger grants.

Sub-grantee (sub-recipient)

A recipient of pass-through funds from a grantee and not directly from the grantor. The sub-grantee is accountable to the grantee for the use of funds provided.

Supplant

To deliberately reduce or reallocate state, local or agency funds because of the existence of the federal funds. Federal funds must increase or supplement the funding available for the activities. Grantees must maintain a level of state, local or agency financial support that is equal to or greater than the level prior to receiving the federal funds. Any potential existence of supplanting will require documentation to establish that the reduction in financial support was not due to the receipt of federal funds. (As defined on Governor's Office of Crime Control and Prevention – GOCCP website)

System for Award Management (SAM)

SAM is combining eight federal procurement systems and the Catalog of Federal Domestic Assistance into one new system. CCR, along with Federal Agency Registration (FedReg), the Online Representations and Certifications Application (ORCA), and the Excluded Parties List System (EPLS), will be migrated into the new SAM. SAM is being deployed in phases, beginning with the "Entity Management" capability and the Exclusions portion of the "Performance Information" capability. Currently, this first phase is scheduled to be available in the first half of 2012.

Unallowable Cost

A cost (expense) for which a funding agency will not reimburse.

Vendor

A dealer, distributor, merchant or other seller providing goods or services that are required for the conduct of a program. These goods or services may be for an organization's own use or for the use of beneficiaries of the grant program.