



Glossary of Grant Terms

Office of Grants and Alternative Funding

“Grant-ese” is the jargon used by specialists in proposal preparation. This Glossary currently holds 50 of the most commonly used terms. Browse through the list below or search for a specific definition by selecting the first letter of the word.

A

ADMINISTRATIVE COSTS (see also, Program Costs and Indirect Costs):

If administrative costs are budgeted, you must submit an administrative budget and a brief cost allocation plan which includes explanations for direct costs and/or an approved indirect cost rate. Administrative costs include: accounting, budgeting, financial and cash management functions;

- procurement and purchasing functions;
- property management functions;
- personnel management functions;
- payroll functions;
- coordinating the resolution of findings arising from audits, reviews, etc.;
- audit functions;
- general legal services functions;
- developing systems and procedures, including information systems required for the above administrative functions;
- performing oversight and monitoring related to WIA administrative functions;
- costs for goods and services required for administrative functions;
- travel costs incurred for official business in carrying out administrative activities or the overall management of the WIA system, and awards to sub-recipients or vendors that are solely for the performance of administrative functions.

ADMINISTRATIVE ENTITY

See "Grantee".

ALLOWABLE COST

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

AWARD LETTER

The written notification sent by the funding agency that announces the project has been funded, the length of the funding period, the start/end dates, and the amount of the award.

B

BUDGET JUSTIFICATION

The financial plan of operation that explains how each cost to be charged against the grant is calculated and why the cost is necessary to the project. May sometimes require that a certain percentage of the total cost be provided by the grantee; i.e., "matched".

C

CFDA (Catalog of Federal Domestic Assistance)

The federal coding structure used to identify available federal grant and loan programs. It is used by auditors and therefore must be accurate.

CATEGORICAL FUNDS

Funds set aside by law, statute, regulation or guidelines for use by agencies that meet specific criteria or category; e.g., a school with a certain percentage of students from low-income households and other at-risk factors is entitled to receive Title I federal funds. All agencies that qualify under the criteria or category are eligible to receive the funds. The amount awarded is usually based on a predetermined formula. Receipt of the funds may or may not require a written proposal.

COGNIZANT OFFICER

The official within the grantee institution that has the legal authority to enter into agreements or contracts, e.g., the president or chief executive.

COMPETITIVE GRANT

A process of proposal selection based on the evaluation of a reviewer or team of reviewers. Proposals are given scores based on how well they meet stated guidelines, and are competitively ranked. Those with the highest scores are generally funded.

CONTRACTUAL SERVICES

Expenditures for professional services that are determined by the College district to be more appropriately or efficiently provided by other public or private entities to complete specific programmatic work.

COST INCURRED

To assist in the understanding of "cost incurred" one must be aware of the grant start date and end date. These dates determine when a cost can be charged to a grant if benefits are received by the grant. Some types of benefits received are staff salaries, fringe benefits, travel, equipment, tuition, etc. For instance, a grant has a start date of March 1st and the grantee charges salaries for the entire month of February to the grant. Would this be allowable? The answer is no, due to the fact that the cost was incurred prior to the start date.

Following are two examples to clarify when the grant receives benefit and costs are incurred for a grant ending on June 30, 2005:

Example 1) A sub-grantee issues a purchase order for a computer on June 15, 2008; the computer is delivered on July 10, 2008. Does the grant ending on June 30, 2008 receive any

benefit? The computer is received *after* the grant end date and the grant does not receive any benefit; therefore, the cost is not allowable to the grant ending June 30, 2008.

Example 2) A sub-grantee enrolls a participant into a college class on June 19, 2008. The college has a drop-out policy that states if the student is in class on the 10th day of that class, then the student cannot receive a refund and the full tuition is due and payable. When does the grant benefit from this cost? The grant receives benefit on June 29, 2008 and 100% of the tuition must be accrued to the grant ending June 30, 2008.

COST REIMBURSEMENT

Where the grantee provides proof of each expense allowed under the grant and the funding agency reimburses the documented full amount.

COST SHARING

See "Matching Funds."

COVER SHEET

The top sheet of a grant proposal that is usually a standardized form. Generally, this form requires the original signature of the grantee's cognizant officer for the proposal to be submitted.

D

DIRECT COSTS

Expenses that are associated with the operation of a project and that are itemized by categories specified as allowable under the grant or contract; e.g., salaries, fringe benefits, travel, supplies.

DUE DATE

The date (and time) when a proposal must be received by the funding source. See "Postmark Date".

E

EARNED INCOME

Revenues received through fees or other payments. When received for activities funded by a grant, the income must be used to expand and/or enhance the grant-related functions described in the proposal.

EQUIPMENT

Personal property of tangible nature purchased with grant funds and having a useful life of more than one year and an acquisition cost of \$5,000 or more. Different funders may have a different cost level.

F

FISCAL YEAR

Refers to the 12-month period for financial operations for an organization or government. Oakton and the State of Illinois operate on a July 1 - June 30 basis, while the Federal government runs from October 1 - September 30. A "budget period" generally corresponds to the funding agency's fiscal year.

FORMATIVE EVALUATION

Refers to methods of identifying areas for improvement or adjustment while program activities are being implemented or a product is being developed. Formative evaluation compares the plan of action in the proposal to what is actually happening by using information collected from a variety of sources such as interviews or focus groups of "experts" or members of the target audience. It also looks at the administrative, organizational, or other operational processes to ensure successful implementation and coordination. (This is also referred to as process evaluation.)

FTE (FULL-TIME EQUIVALENT)

The amount of time spent in an activity or position that is calculated as a percentage of full-time position on an annual basis. For example, a person who is hired for a 12-month period on a half-time basis is considered to be .5 FTE; and FTE for full-time faculty is based on a 9-month period.

G

GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP)

A technical term in accounting that encompasses the conventions, rules, and procedures necessary to define accepted accounting practice at a particular time. The standard of "generally accepted accounting principles" includes not only broad guidelines of general application, but also detailed rules and procedures.

GRANTEE

The organization that is the recipient and administrator of a grant. Also known as "administrative entity".

GRANTOR

The agency which awards the funds to carry out a project.

GUIDELINES

The procedures that grantseekers should follow when approaching individual funding agencies.

I

INDIRECT COSTS

Costs of an institution that are not readily identifiable to a specific project or activity. The costs of maintaining buildings, grounds and equipment, accounting services, and general administrative expenses are considered to be types of indirect costs. Such costs may or may not be allowed by a funding source, and others may place a ceiling on the percentage allowed in a given grant situation. Indirect costs are generally calculated as a percentage of the total direct costs of the project minus any capital or equipment expenses.

IN-KIND COSTS

A nonmonetary contribution of equipment, supplies, space, staff time, etc., made by the grantee. The amount of in-kind may be limited by the funding source.

INTEREST INCOME

When grant funds are distributed in advance, rather than on a reimbursement basis, they are generally put into an interest-bearing account. Most grants stipulate that interest paid on grant funds must be used specifically for the grant project, or must be returned to the funder. Some grants stipulate that interest income must be treated as program income. Check the grant contract for rules that apply.

L

LEA

The acronym stands for "Local Educational Agency" and generally refers to elementary, middle, and secondary school districts as represented by a board of education or other legal authority.

LIKERT-SCALE

An evaluation technique most frequently used on survey instruments to measure attitude or opinion. *For example:*

Q. Did you find this Web site easy to use? Please circle one of the following:

1. Very easy
2. Easy
3. Some difficulty
4. Very difficult
5. No opinion

M

MATCHING FUNDS

Cash or "in-kind" support contributed by the grantee to carry out the project. Some programs require a match, and the amount of match will vary by program.

N

NEEDS ASSESSMENT

The part of the proposal used to convince the funding source of the critical need for your project. Also known as the "problem statement". A good problem statement must relate to the purposes and goals of the funding source, and be supported by statistical evidence and expert statements.

NON-COMPETITIVE GRANT

Federal or state dollars allocated on the basis of a formula. Receipt of funds may or may not require submission of a proposal. These grants are often referred to as formula-driven grant funds.

NOA (Notice of Award)

The formal document used by the federal government to inform the grantee that their proposal is being funded.

NOFA (Notice of Funding Availability)

Announcement by a federal agency or department that informs the public of a specific grant opportunity.

O

OBJECTIVES

In a proposal, objectives are statements about expected outcomes that tell who is going to be doing what, when, and how much will be done. Measurable objectives become the criteria used to judge the impact of the project on the target audience and/or on organization effectiveness.

OBLIGATED FUNDS

Legal liability to pay under a grant, sub-grant, and/or contract for services or goods incurred during the grant period.

P

PASS THROUGH FUNDS

Funds that are received by a state or local agency for a specific purpose who then conducts its own grant process to award the funds to other individuals, organizations, or agencies.

PERFORMANCE-BASED CONTRACT

An agreement where defined units of service have an associated cost, and the grantee is reimbursed based on the number of units performed during a specific period. Documentation of performance is required.

PRE-APPLICATION

A preliminary screening process used by a funding source to identify potentially fundable projects. Pre-applications, while shorter in length than a full proposal, generally follow a prescribed format identified by the funding source.

PROGRAM/PROJECT OFFICER

A staff member of a government agency, foundation, or corporation who is responsible for overall administration of the program and for monitoring the project, providing technical assistance, and ensuring that the project is carried out in accordance with the final contract or grant agreement.

PROJECT PERIOD

The period of time authorized by the funding agency in which the proposed activities take place. This can range from less than a year to multi-year projects.

PROPOSAL

The document submitted to a funding source that requests monetary support for a specified period of time to carry out a specific project.

POSTMARK DATE

The date stamped by the U.S. Post Office or other mail service showing when a proposal was sent to the funding source. By the way, it's a good idea to send documents certified, return receipt so that you have an automatic record of when the funding agency received the proposal.

R**RFP/RFA (Request for Proposals or Applications)**

An announcement by an agency seeking proposals or applications that will accomplish the specific purposes outlined in the Request guidelines. May also be referred to as a Solicitation for Grant Applications (SGA).

S**SOLICITATION FOR GRANT APPLICATIONS (SGA)**

See "Request for Proposals."

SUBCONTRACT

Funds received from a primary grant recipient to support the costs associated with carrying out a portion of a project. Typically, it is not necessary to submit a proposal to receive a subcontract, although submission of a budget is usually required.

SUBGRANTEE

The individual and/or organization that receives funds from the direct grantee agency for a particular project. See also "subcontract."

SUMMATIVE EVALUATION

Refers to methods of looking at the results or outcomes of a program to determine the extent to which the program or product met the stated goals and objectives. It also looks at the extent to which the program's accomplishments are the result of the activities provided or of the product's use. This can require the use of control groups or other statistical analysis to measure correlation among different variables. (This is also referred to as impact evaluation.)

T

TAX EXEMPT

Refers to organizations that do not have to pay federal or state corporate taxes or state sales taxes. Corporations and individuals who make donations to these organizations can deduct their contributions from their income tax.

U

UNSOLICITED PROPOSALS

Agencies may allow institutions to submit proposals for projects that are not part of the funding source's priorities or program areas.

V

VENDOR

Individual or firm hired to provide a specific service or product within their normal business operations. Vendors are not employed, either full time or part time, by the sub-grantee and are considered a "purchased service." Vendors are not subject to compliance requirements; they operate in a competitive environment and provide services or goods to many different purchasers.