

Glossary of Grant Terms

501(c)(3)

The section of the Internal Revenue tax code that defines the nonprofit, charitable (as broadly defined), tax-exempt organizations. Contributions made to these organizations are tax-exempt for the donors. To convey that status, they often represent themselves as 501(c)(3) organizations, rather than merely nonprofit organizations.

A

Abstract

Summarizes the purpose, importance and scope of the proposed project.

Accessibility

The extent to which programs or services can be reached or obtained by those who want or need them.

Activity

The functional elements of a program.

Administrative Costs

All direct and indirect costs associated with the management of grant programs. Often capped by the grantor at a certain percentage of the grant.

Application

A request for financial support of a project or activity submitted to a funder.

Applicant

A party requesting a grant.

Application Number

When an application has been successfully submitted to a funder and the funder assigns a unique number to that application. Applicants should keep a record of the application number and reference it when communicating with the funder.

Application Package

A package that contains the application notice for one or more discretionary grant or cooperative agreement programs and all the information and forms needed to apply for those programs.

Assessment

The process of collecting and analyzing information to make judgments.

Assurances

A listing of a variety of requirements, found in different federal laws, regulations, and executive orders, that applicants agree to by signature in an application.

Audit

An examination of grant records and financial accounts for accuracy and legal compliance which may lead to recommendations for corrective action.

Authorized Official

The individual, named by the applicant organization, who is authorized to act for the applicant and to assume the obligations imposed by the laws, regulations, requirements, and conditions that apply to grant applications or grant awards.

Award

An award is a funder's agreement to contribute funding to a specific project. When a funder approves an award, a formal notice is sent to the recipient. This notice is usually in the form of a grant or a contract.

Award Notification

An official document signed by the funder stating the amount and the terms and conditions of an award.

Award Number

The identifying number for a discretionary grant or cooperative agreement award issued by the funder.

B**Bidder's Conference**

A meeting to discuss with potential bidders, technical, operational and performance specifications, and/or the full extent of financial security and contractual obligations related to a grant solicitation.

Boilerplate

A form or section of a document that is used so often as to become standard and reused.

Budget

The financial expenditure plan for the grant-supported project or activity. The budget consists of funder (grant) funds and, if required by the funder, grantee participation in the form of matching or cost sharing.

Budget Period

An interval of time into which a project period is divided for budgetary purposes, usually twelve months.

C

Capital Expenditure

The cost of an asset (land, building, equipment), including the cost to put it in place. A capital expenditure for equipment includes the net invoice price and the cost of any modifications, attachments, accessories, or auxiliary apparatus to make it usable for the purpose for which it was acquired. Other charges, such as taxes, in-transit insurance, freight, and installation, may be included in capital expenditure costs in accordance with the recipient's regular accounting practices consistently applied regardless of the source of funds.

Capital Support

Funds provided for endowment purposes, buildings, construction or equipment.

Carry-Forward

A pool of unexpended funds which is moved to the next funding period

Catalog of Federal Domestic Assistance (CFDA)

A publication, and database, that lists the grants and assistance programs of all federal agencies and gives information about a program's authorization, fiscal details, guidelines, eligibility requirements, program contacts, application and award process. The program's CFDA number is required on grant application forms.

Certification

A statement, signed by an applicant or grantee as a prerequisite for receiving funds, that it (1) meets or will adhere to certain conditions and/or (2) will undertake or not undertake certain actions.

Challenge Grant

A grant offered with the stipulation that the recipient will raise additional funds from another source or sources. Also called a "matching grant."

Charitable Choice

A requirement, placed in recent legislation, that state governments contracting with private sector organizations cannot discriminate against a faith-based social services provider because the provider is religious.

Code of Federal Regulations (CFR)

A compilation of all final regulations issued by federal agencies, published annually and divided by numbered "Titles."

Cognizant Agency

The Federal agency which, on behalf of all Federal agencies, is responsible for implementing the requirements of the Single Audit Act which include: reviewing, negotiating, and approving cost allocation plans, indirect cost rate and similar rates; receiving and approving non-federal audit reports; conducting federal audits as necessary; and resolving cross-cutting audit findings.

Community Foundation

A 501(c)(3) organization, usually considered a public charity, that makes grants for specific purposes in a specific community or region.

Funds are derived from many donors and held in an endowment that is independently administered.

Competitive Review Process

The process used by a funders to select applications for funding, in which subject-area experts score applications and only applications with the highest scores are considered for funding.

Concept Paper

Preferred by foundations as a first submission, a concept paper contains key elements of a project, including information about the applicant, the target population, the need, objectives, total budget, other contributors and what makes it remarkable. Concept papers should not exceed three pages, including the cover letter.

Consortium Agreement

A formalized agreement whereby a project is carried out by the grantee and one or more other organizations that are separate legal entities.

Consultant

An individual who provides professional advice or services for a fee, but normally not as an employee of the engaging party. In unusual situations, an individual may be both a consultant and an employee of the same party, receiving compensation for some services as a consultant and for other work as a salaried employee. Consultants also include firms that provide professional advice or services.

Contact Person

The representative of the funder for the grant program, and may also serve as the program administrator or grant officer.

Continuation Grant

A continuation grant provides additional funding for budget periods subsequent to the initial budget period.

Cooperative Agreement

A type of Federal assistance; essentially, a variation of a discretionary grant, awarded by a Federal agency when it anticipates having substantial involvement with the grantee during the performance of a funded project.

Cost-Benefit Analysis

A quantitative procedure that assesses the desirability of a project by totaling and comparing the equivalent money value of the benefits and costs of a given project. The outcome of the analysis is a cost-benefit ratio, which demonstrates whether the net value of benefits exceeds the net value of costs.

Cost-Effectiveness

A systematic quantitative method for comparing the costs of alternative means to achieve the same benefits of a given objective. Cost-effectiveness is generally determined by performing a cost-benefit analysis.

Corporate Foundation

A private foundation whose assets are derived primarily from the contributions of a for-profit business. While a company-sponsored foundation may maintain close ties with the parent company, it is an independent foundation with its own endowment and its own board.

Corporate Giving Program

A grant-making program established and administered by a profit-making company. Corporate giving is planned as part of the company's budgeting process and usually is funded with pre-tax income.

D**Deadline Date**

The receipt date by the funder for an application to be considered for funding.

Deliverables

Those products that are produced by a grant project. They may be quantified achievement or singular outcomes.

Direct Costs

Specific and identifiable costs of project operation.

Discretionary Grant

An award of financial assistance in the form of money, or property in lieu of money, by the Federal government to an eligible grantee, usually made on the basis of a competitive review process.

Demonstration Grant

A grant made to fund an innovative project with the intention of duplicating the project elsewhere.

DUNS Number

A Data Universal Numbering System (DUNS) number, a unique identifier available to organizations by registering with Dun and Bradstreet.

E**Earmark**

Requirement by Congress that a Federal agency set aside funds within an appropriation for a stated recipient or purpose

Employer Identification Number

The Employer Identification Number (EIN) is a 9-digit number assigned by the Internal Revenue Service.

Encumbrance

An obligation in the form of purchase orders, contracts, or salary commitments which are chargeable to an award and for which a part of the awarded amount is reserved. They cease to be encumbrances when paid.

Endowment

Financial support kept permanently by an institution and invested to provide income to support programs or operations.

Evaluation

The process of collecting and analyzing data on various aspects of a program, usually for the purpose of program planning and goal setting, improving processes and outcomes, securing and allocating resources. Includes formative (collecting and analyzing data to focus on “what’s working and what needs to be improved”) and summative (collecting and analyzing to investigate “what’s been achieved” in a program).

Expiration Date

The date specified in the grant award notification after which expenditures may not be charged against the grant unless to satisfy obligations committed before that date.

F**Federal Information Processing Standards (FIPS) Code**

The FIPS Code is the unique 5-digit number that is assigned to each county in the United States. This number is comprised of a 2-digit State code followed by a 3-digit county code.

Federal Register

A daily compendium of federal regulations and notices, including announcements or RFPs for grant awards.

Federated Giving Program

A joint-fundraising effort, usually administered by an umbrella organization that, in turn, distributes the contributed funds to several non-profit agencies.

Fee

An amount, in addition to actual, allowable costs, paid to an organization providing goods or services consistent with normal commercial practice. This payment also is referred to as “profit.”

Fiscal year (FY)

The 12-month accounting period at the end of which the books are closed for an agency or governmental unit.

Formula Grant

A grant that the Federal agency is directed by Congress to make to grantees, for which the amount is established by a formula based on certain criteria that are written into the legislation and program regulations; this funding is directly awarded and administered in the Federal agency's program offices.

For-Profit Organization

An organization, institution, corporation, or other legal entity that is organized or operated for the profit or financial benefit of its shareholders or other owners. Such organizations also are referred to as "commercial organizations."

Funder

The governmental unit, foundation or other entity that awards grants.

Funding Cycle

The schedule of events starting with the announcement of the availability of funds, followed by the deadline for submission of applications, review of applications, award of grants and release of funds.

Funding Priorities

A means of focusing a competition on the areas in which a funder is particularly interested in receiving applications. Priorities take the form of specific kinds of activities that applicants are asked to include in an application to receive preference in the review process.

G**Grant**

A financial assistance mechanism providing money, property, or both to an eligible entity to carry out an approved project or activity.

Grant Agreement

A grant agreement is a legal instrument for the transfer of funds from the funder to the grantee and which sets forth the terms and conditions of the award.

Grantee

An organization that has been awarded financial assistance for a project. The grantee is the entire legal entity even if a particular component (e.g., department, office, or agency) carries-out the grant-funded activities. The grantee is legally responsible and accountable to the funder for the performance and financial aspects of the grant-supported project or activity.

Grantor

A governmental unit, foundation, or other entity that awards grants.

Grant Period

The period that extends from the effective date through the expiration date.

I

In-kind

A contribution of equipment, supplies or other tangible resource, as distinguished from a monetary grant. Some organizations may also donate the use of space or staff time as an in-kind contribution.

Indirect Costs

Indirect costs cover general administrative costs of a project, including such items as rent, utilities, maintenance, depreciation and custodial services.

Indirect Cost Rate

The percentage of a grant, approved by a federal or state department, or that a particular organization can use to reimburse itself for indirect costs incurred in doing the work of the grant project.

J

Journal Vouchers

An accounting entry for the recording of certain transactions, corrections or information. The journal voucher usually contains an entry or entries, explanations, references to documentary evidence supporting the entry or entries, and the signature or initials of one or more properly authorized officials.

K

Key Personnel

The individuals who contribute to the development or execution of a project in a substantive, measurable way, whether or not they receive salaries or compensation under the grant. Consultants also may be considered key personnel if they meet this definition. "As needed" is not an acceptable level of involvement for key personnel.

L

Letter-of-Intent

A letter-of-intent expresses the grantor's willingness to commit funds to a project if other conditions are met.

Letters-of-Commitment

Letters-of-commitment specifically list services, money or other inputs promised to the project by partner organizations.

Letters-of-Support

Letters-of-support are written endorsements of an application for funding. They are provided by organizations or individuals who are familiar with the applicant's ability.

M

Matching Funds

Funds other than the funder's grant funds required by a grant program to pay the percentage of project costs not covered by the grant.

Matching Grant

A grant made by one grantor or donor to match those provided by another grantor or donor.

Memorandum of Understanding (MOU)

An agreement developed and executed among partners relating to their roles in a joint operation.

Monitoring

A grantor's review and evaluation of specific aspects of a grantee's activities under a grant agreement. These activities include (1) measuring a grantee's performance, (2) assessing a grantee's adherence to applicable laws, regulations, and the terms and conditions of the award, (3) providing technical assistance to grantees, and (4) assessing whether a grantee has made substantial progress.

N

Nonprofit

A designation secured from the state by a corporation whose board members receive no remuneration from its activities.

Notice of Funding Availability (NOFA)

A term some funders use for the announcement of a funding competition or RFP.

O

Obligated Funds

Funds that are unexpended but are encumbered at the end of the funding period to cover the known obligations. They are considered to be unexpended funds.

Office of Management and Budget (OMB)

A branch of the Executive Office of the President. OMB helps the President formulate his spending plans; evaluates the effectiveness of agency programs, policies, and procedures; assesses

competing funding demands among agencies, and sets funding priorities. OMB ensures that agency reports, rules, testimony, and proposed legislation are consistent with the President's budget and with administration policies. In addition, OMB oversees and coordinates the administration's procurement, financial management, information, and regulatory policies. In each of these areas, OMB's role is to help improve administrative management, to develop better performance measures and coordinating mechanisms, and to reduce any unnecessary burdens on the public.

OMB Circulars

Administrative policy documents issued by OMB that give instruction to Federal agencies on a variety of topics, including the administration of Federal grants and cooperative agreements.

Operating Foundation

An operating foundation uses the majority of its funds to conduct research or run programs for the common good. An operating foundation may make a few, small grants.

Outreach

An active effort by program staff to encourage individuals in the designated service delivery area to avail themselves of program services.

P

Partnerships

Partnerships involve similar organizations that help each other meet their respective goals, without making substantial changes in the services they provide.

Performance Funding

Performance funding is based on the timely submission of deliverables according to the specifications negotiated between grantor and grantee.

Performance Period

The total amount of time during which the funder authorizes a grantee to complete the approved work of the project described in the application. Performance periods of more than 1 year in duration are divided into budget periods.

Performance Report

A report of the specific activities a grantee has performed during the budget or performance period.

Program

A coherent assembly of plans, project activities, and supporting resources contained within an administrative framework, the purpose of which is to implement an organization's mission or some specific program-related aspect of that mission.

Program Year (PY)

The 12-month period beginning in July 1 and ending June 30 for the Commonwealth and beginning October 1 and ending September 30 for the federal government.

Programmatic Report

See 'Performance Report'

Project Narrative

A descriptive statement about the proposed grant activities or purchases, which explains why the grant funds are needed and the benefits to be realized from the use of the grant funds.

Project Period

An extended amount of time, during which a grantee is required to complete the approved work of a project.

R**Real Property**

Land, including land improvements, structures, and appurtenances, but not movable machinery and equipment.

Recipient

The organizational entity or individual receiving a grant or cooperative agreement.

Renovation

Work that changes the interior arrangements or other physical characteristics of an existing facility or of installed equipment so that it can be used more effectively for its currently designated purpose or adapted to an alternative use to meet a programmatic requirement.

Request-for-Application (RFA)

An RFA is used in non-competitive grant programs, seeking information from a grantee who usually is entitled to receive funds according to a demographic formula.

Request-for-Proposal (RFP)

A solicitation by a grantor seeking applications from potential grantees. Also used by organizations to hire professional services.

Responsive proposal

A submission that meets all the mandatory requirements stipulated in the RFP and addresses the legislative intent of the program.

Reviewer, Grant Reviewer, Peer Reviewer, Field Reviewer

An individual who serves the funder by reviewing and scoring a competitive proposal. Reviewers are chosen for their subject-area expertise and typically serve on a panel or "technical" panel of at least three members.

S

Seed Money

A grant or contribution used to start a new project or organization.

Selection Criteria or Evaluation Criteria

Standards by which different components of a proposal are rated and scored to qualify for funding.

Set-asides

Funds reserved by a grantor for a specific purpose or project.

Solicitation for Grant Application (SGA)

A term some agencies use for the announcement of a funding competition or an RFP.

Standard Form 269 (SF-269)

A standard Federal form for reporting expenditures for a grant or cooperative agreement for a particular reporting period, usually the 12-month Federal fiscal year, which runs from October 1 through September 30.

Standard Form 424 (SF-424)

A standard Federal form required for applications for federal assistance.

Stipend

A payment made to an individual under a grant in accordance with preestablished levels to provide for the individual's living expenses during the period of training. A stipend is not considered compensation for the services expected of an employee.

Supplemental Award

The addition of funds to an existing award to:

1. Support New or additional activities which are not identified in the current grant or which significantly expand the project's scope beyond the purpose(s) for which the current grant was awarded;
2. Support an expansion of the grant approved activities; or
3. Provide for an increase in costs due to unforeseen circumstances.

For supplemental awards, the budget and grantor numbers remain the same.

Suspension

Temporary withdrawal of a grantee's authority to obligate grant funds, pending either corrective action by the grantee, as specified by the funder, or a decision by the funder to terminate the award.

T

Target area

Usually a geographic area, such as a city, neighborhood, county, certain census tracts or school districts, school service areas.

Targeted population

The target group to receive direct assistance through the project.

Terms and Conditions

All legal requirements imposed on a grant by the funder, whether based on statute, regulation, policy, or other document referenced in the grant award, or specified by the grant award document itself.

Total Project Costs

The total allowable costs incurred by the grantee to carry out a grant-supported project or activity.

U

Unallowable Cost

A cost determined to be unallowable in accordance with the applicable cost principles or other terms and conditions contained in a grant award.

Unexpended Funds

The funding (money) not spent during the award process.

Z

Zero Balance

At the closing of a grant, when cash, expenditures, budget, and revenue are equal, the budget is said to have a zero balance.