

Virginia Department of Emergency Management (VDEM)

Glossary of Grant Terms

Accrual Basis is the method of recording revenues in the period in which they are earned, regardless of when cash is received, and reporting expenses in the period when the charges are incurred, regardless of when payment is made.

Administrative Requirements are set forth at 28 CFR Part 66 for State and local units of government and 28 CFR Part 70 for nongovernmental organizations.

Awarding agency is the Federal government or the next highest authority, i.e., the State agency administering the formula award or the Federal agency administering the discretionary award.

Awards may include funding mechanisms, such as grants, cooperative agreements, interagency agreements, contracts, and/or other agreements.

Block/formula awards are awarded to the States to provide assistance to State and local units of government for programs in accordance with legislative requirements.

Budget Period is the period for which a budget is approved for an award. The budget period may be equal to or shorter than the project period for an award, but cannot be longer than the project period.

Cash Basis is the method of reporting revenues and expenses when cash is actually received or paid out.

Closeout is a process in which the awarding agency determines that all applicable administrative actions and all required work of the award have been completed by the recipient and the awarding agency. *This is the period AFTER the OBLIGATION period ends.*

Consultant is an individual who provides professional advice or services.

Contracts are entered into by the awarding agency, recipients or subrecipients, and commercial (profit-making) and non-profit organizations. With the exception of a few justified sole-source situations, contracts are awarded via competitive processes to procure a good or service.

Cooperative agreements are awarded to States, units of local government, or private organizations at the discretion of the awarding agency. Cooperative agreements are utilized when substantial involvement is anticipated between the awarding agency and the recipient during performance of the contemplated activity.

Discretionary awards are made to States, units of local government, or private organizations at the discretion of the awarding agency. Most discretionary awards are competitive in nature in that there are limited funds available and a large number of potential recipients.

Federal contractor is a person or entity that contracts with the Federal government to provide supplies, services, or experimental, developmental, or research work. Entities may include commercial organizations, educational institutions, construction and architect-engineer companies, State and local governments, and non-profit organizations. See 48 CFR 31.103-105, 31.107-108 (1995).

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Government or the District of Columbia. See 5 USC 4101 (1994).

Federal grantee means the component of a State, local, or federally recognized Indian tribal government, educational institution, hospital, or a for-profit or non-profit organization which is responsible for the performance or administration of all or some part of a federal award. See OMB Circular No.A-87, Attachment A; OMB Circular No.A-110, Attachment A.

Grants are awarded to States, units of local government, or private organizations at the discretion of the awarding agency or on the basis of a formula. Grants are used to support a public purpose.

High risk is a determination made by the awarding agency of a recipient's ability to financially administer Federal project funds. Additional reporting requirements are imposed on high risk recipients.

Incidental means relating to a formal event where full participation by participants mandates the provision of food and beverages.

Interagency agreements and purchase of service arrangements are usually entered into by two governmental units or agencies. Such funding arrangements are negotiated by the entities involved.

Match is the recipient share of the project costs. Match may either be "in-kind" or "cash." In-kind match includes the value of donated services. Cash match includes actual cash spent by the recipient and must have a cost relationship to the Federal award that is being matched. (Example: Match on administrative costs should be other administrative costs, not other matching on program costs).

Obligation means a legal liability to pay under a grant, subgrant, and/or contract determinable sums for services or goods incurred during the grant period.

Passthrough is an obligation on the part of the States to make funds available to units of local governments, combinations of local units, or other specified groups or organizations.

Preagreement costs are defined as those costs which are considered necessary to the project but occur prior to the starting date of the award period.

Prior approval means written approval by the authorized official (the next highest authority except for sole source) evidencing consent prior to a budgetary or programmatic change in the award.

Program income means gross income earned by the recipient during the funding period as a direct result of the award. Direct result is defined as a specific act or set of activities that are directly attributable to grant funds and which are directly related to the goals and objectives of the project. Determinations of "direct result" will be made by the awarding agency for discretionary grants and by the State for block/formula subawards. Fines/penalties are not considered program income. Program income may be used only for allowable program expenses.

Project Period is the period for which implementation of a project is authorized. The project period may be equal to or longer than the budget period for an award, but can not be shorter than the budget period. *Also referred to the OBLIGATION period.*

Recipient is an individual and/or organization that receives Federal financial assistance directly from the Federal agency.

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procurement contract made under an award by a recipient.

Subrecipient is an individual and/or organization that receives Federal financial assistance from the direct recipient of Federal funds. This may include entities receiving funds as a result of block or formula awards. Also referred to as Sub-grantee

Supplanting is to deliberately reduce State or local funds because of the existence of Federal funds. For example, when State funds are appropriated for a stated purpose and Federal funds are awarded for that same purpose, the State replaces its State funds with Federal funds, thereby reducing the total amount available for the stated purpose.