

GLOSSARY

Accrual Basis - An accounting method whereby revenues and expenses are identified with specific periods of time, such as a month or year, and are recorded when they are earned or incurred without regard to the date of receipt or payment of cash; distinguished from cash basis.

Accrued Expenditures - The charges incurred by the recipient during a given period requiring the provision of funds for: (1) goods and other tangible property received; (2) services performed by employees, contractors, subrecipients, subcontractors, and other payees, and (3) other amounts becoming owed under programs for which no current service or performance is required, such as annuities, insurance claims, and other benefit payments.

Accrued Income - The sum of: (1) earnings during a given period from services performed by the recipient and from goods and other tangible property delivered to purchasers; and (2) amounts becoming owed to the recipient for which no current service or performance is required by the recipient.

ACF - Administration for Children and Families.

Acquisition Cost - The net invoice price of property or supplies including the cost of modifications, attachments, accessories, or auxiliary apparatus necessary to make the property usable for the purpose for which it was acquired. Other charges such as the cost of installation, transportation, taxes, duty or protective in-transit insurance included or excluded from the unit acquisition cost in accordance with the recipient's regular accounting practices. It does not include costs for rental of property or alteration and rental of real property.

Additive Alternative - One of the three uses of program income that is generated under a grant to be added to funds committed to the project by the Federal awarding agency and recipient and used to further eligible project or program objectives. (See "Deductive Alternative" and Cost Sharing or Matching Alternative.)

Administrative Procedure Act (APA) of 1946 - The statute (5 U.S.C. § 551 et seq.) establishing various procedures for agencies, including the procedures for notifying and allowing the public the opportunity for administrative review and comment on proposed Federal agency rulemaking.

Administrative Requirements - The general business management practices that, are common to the administration of all grants, such as financial accountability, reporting, equipment management, and retention of records.

Advance - A payment made by Treasury check or other appropriate payment mechanism to a recipient upon its request either before cash disbursements are made by the recipient or through the use of predetermined payment schedules. Most advance payments are processed through the Payment Management System (PMS), the Department's centralized grants payment system. Advance payments are made to recipient organizations upon their requests before cash disbursements are made by them on their assistance programs.

Alert List - A list circulated within the Department primarily to alert grants administration staff of recipients designated as "high-risk," or "at-risk."

Allocable Cost - A cost is allocable to a particular cost objective (i.e., a specific function, grant project, service, department, or other activity) in accordance with than relative benefits received. A cost is allocable to a Government award where it is, treated consistently with other costs incurred for the same purpose in like circumstances and (1) is incurred specifically for the award, (2) benefits both the award and other work and can be distributed in reasonable proportion to the benefits received; or (3) is necessary to the overall operation of the organization.

Allocation - The process of assigning a cost, or a group, of costs, to one or more cost objectives, in reasonable and realistic proportion to the benefit provided or other equitable relationship.

Allotment - A process whereby the Federal agency calculates each recipient's share by applying the statutory formula applicable to a mandatory grant program.

Allowable Cost - A cost incurred by a recipient that is: (1) reasonable for the performance of the award; (2) allocable; (3) in conformance with any limitations or exclusions set forth in the Federal cost principles applicable to the organization incurring the cost or in the Notice of Grant Award as to types or amount of cost items; (4) consistent with internal regulations, policies and procedures that apply uniformly to both Federally-financed and other activities of the organization; (5) accorded consistent treatment; (6) determined in accordance with generally accepted accounting principles, and (7) not included as a cost in any other Federally-financed grant (unless specifically authorized)

Alteration and Renovation - The work required to change the interior arrangements or other physical characteristics of an existing facility or installed equipment so that it may be more effectively used for the project. Alteration and renovation may include work referred to as

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improvements, conversion, rehabilitation, remodeling, or modernization, but is distinguished from construction and large scale permanent improvements.

Alternative Dispute Resolution - A process whereby mediation and other techniques are used to avoid or resolve disputes, Alternative dispute resolution is intended to reduce cost, delay and contentiousness in the resolution as well as prevent disputes from escalating to levels requiring more formal or judicial resolution.

Amended Application - A revised application submitted by an applicant.

Amount Received for Trade-in - The amount that would have been paid for the replacement equipment without a trade-in, minus the amount paid with the trade-in. The term refers to the actual difference, not necessarily the trade-in value shown on an invoice.

AOA - Administration on Aging.

Applicable Credit - Those receipts that offset or reduce direct or indirect costs. Typical examples of such transactions are: purchase discounts, rebates, or allowances; recoveries or indemnities on losses; insurance refunds; and adjustments, of overpayments or erroneous charges.

Application - Generally, a request for financial support of a project or activity submitted to HHS on specified forms and in accordance with instructions provided by the HHS awarding office.

Apportionment - The means whereby the Office of Management and Budget divides the total available appropriation into segments, usually quarterly, and in a that segment available to the Federal agency for obligation.

Appropriation Act - The statute that provides the authority for Federal agencies to incur obligations and to make payments out of the U.S. Treasury for specified purposes.

Approval or Authorization of the Awarding or Cognizant Federal Agency – The documentation evidencing written consent for a recipient to incur a specific cost, or take other actions that require prior approval. If costs or other actions are specifically identified in a grant application, approval of the application constitutes such authorization. If the costs are covered by a State/local-wide cost allocation plan or an indirect cost proposal, approval of the plan or the indirect cost rate constitutes the Approval.

Approval List/Funding List - A list sent by the program office to the Grants Management Officer, showing which grant applications on the list are approved for funding and in what order.

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Approved Budget - The recipient's financial expenditure plan, including any revisions approved by the awarding office, for carrying out a grant-supported project or activity. The approved budget includes Federal funds and may require non-Federal participation, the amount of which is specified on the initial award document and on any subsequent revised or amended award notice.

ASPE - The Office of the Assistant Secretary for Planning and Evaluation in the Office of the Secretary.

Assistance Instrument or Assistance Award - A grant or cooperative agreement,

Assurance - A certification by an applicant, normally included with the application or State plan, that it will abide by a particular requirement if awarded a federal grant.

Audit Resolution - The action to resolve audit findings and recommendation including management and systems deficiencies and monetary findings (i.e. questioned costs).

Authorizing Legislation - The statutory authority establishing a Federal program, either indefinitely or for a specified period of time. Authorizing legislation is a prerequisite for appropriations.

Automatic Carryover - Under expanded authorities for research grants, the authority that is delegated to the recipient to move unobligated balances remaining at the end of any budget period to a subsequent budget period which thereby increases authorized expenditures. (See "Expanded Authorities.")

Award - Financial assistance that provides support or stimulation to accomplish a public purpose. Awards include grants and other agreements in the form; of money or property in lieu of money, by the Federal Government to an eligible recipient. The term does not include: technical assistance, which provides services instead of money; other assistance in the form of loans, loan guarantees, interest subsidies or insurance; direct payments of any kind to individuals; and contracts which are required to be entered into and administered under procurement laws and regulations.

Awarding Agency - Any department, agency, commission, or instrumentality in the executive branch of the Federal Government that makes awards to eligible recipients, In general, the Operating Divisions (OPDIVS) of the Department, the Office of the Assistant Secretary for Planning and Evaluation (ASPE), and the Office of the Inspector General (OIG), and any subcomponents thereof, are authorized to award and administer HHS grants.

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Block Grant - A type of mandatory grant where the recipients (normally States) have substantial authority over the type of activities to support, with minimal Federal - administrative restrictions. The basic premise is that States should be free to target resources and design administrative mechanisms to provide services to meet the needs of their citizens

Budget Period - The intervals of time into which a multi-year period of assistance (project period) is divided for budgetary and funding purposes. Budget periods are usually 12 months long but may be shorter or longer, if appropriate.

Capital Expenditure - The cost of an asset, including the cost to put it in place. Capital expenditure for equipment, for example, means the net invoice price of the equipment, including the cost of any modifications, attachments, accessories, or auxiliary apparatus necessary to make it usable for the purpose for which it was acquired. Ancillary charges, such as taxes, duty, protective in-transit insurance, freight, and installation may be included in, or excluded from, capital expenditure cost in accordance with the recipient organization's regular accounting practices.

Carryover Balance - Unobligated funds of the recipient from a previous funding period under a grant that are authorized for use to cover allowable costs in a current funding period.

Cash Basis - A basis of keeping accounts in contrast to the accrual basis, whereby revenue and expense are recorded on the books of account when received aid, respectively, without regard to the period in which they are earned or incurred.

Cash Contribution - The recipient's cash outlay, including the outlay of money contributed to the recipient by third parties.

Cash Management Improvement Act (CMIA) of 1990 - A law (Pub. L. 101-453 (1990); 31 U.S.C. §§ 3335, 6501, and 6503.) which regulates the timing of cash flow and payment of interest on accounts between States and the Federal Government.

CASHLINE - An Electronic Funds Transfer (EFT) payment system which allows a recipient organization using any touch-tone telephone to dial directly into the Payment Management System's "Voice Response" computer and request Federal cash on its assistance program as frequently as disbursements (outlays) are made. The cash is then electronically deposited into the recipient organization's account the next business day.

Catalog of Federal Domestic Assistance (CFDA) - A catalog published twice a year which describes domestic assistance programs administered by the Federal Government. This

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governmentwide compendium of Federal programs lists projects, services, and activities which provide assistance or benefits to the American public.

Categorical Grant - A grant having a specifically defined purpose.

Change of Recipient Institution - A process whereby the legal and administrative responsibility for a grant-supported project or activity is transferred from one legal entity to another before the expiration date of the approved project period. (See "Replacement Recipient.")

Change of Principal Investigator - A process, usually initiated by the grantee, whereby the approved principal investigator is replaced.

Change of Scope - A process, usually initiated by the grantee, whereby the objectives or specific aims identified in the approved grant application are significantly changed.

Chief Grants Management Officer/Chief Grants Officer - A Grants Officer within an awarding agency who is the principal Grants Officer in the agency. Generally, the Chief Grants Officer will have the authority to appoint and exercise line authority over one or more Grants Officers.

Closed-ended Grant - A type of mandatory grant where the award constitutes an upper limit on the amount of funds the Federal Government may pay for program activities. (See "Entitlement or Open-ended Grant.") Examples of closed-ended grants are (1) Grants for State and community programs on aging (Title III of the Older Americans Act); and (2) Child welfare services (Title IV-B of the Social Security Act).

Closeout - The process by which the awarding office determines whether all applicable administrative actions and all work required by the grant have been completed by the recipient and the awarding agency for a project or other specified period.

Code of Federal Regulations (CFR) - The codified regulations of the Federal Government containing a codification of the final agency regulations published in the Federal Register. The primary Departmental grants administration regulations are found in Title 45 CFR Part 74, "Grants and Agreements (including Subgrants) with Institutions of Higher Education, Hospitals, Other Non-Profit, and Commercial Organizations" and 45 CFR Part 92, "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments." Other significant regulations related to grants administration include 45 CFR Part 16, "Procedures of the Departmental Grant Appeals Board," Part 76, "Governmentwide Debarment and Suspension (Nonprocurement) and Governmentwide Requirements for Drug-Free Workplace (Grants)," and Part 95, "General Administration - Grant Programs (Public Assistance and Medical Assistance)."

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Co-funding - An agreement by two or more awarding agencies to jointly participate in the support of an assistance award.

Cognizant Agency - The Federal agency which, on behalf of all Federal agencies, is responsible for: reviewing, negotiating, and approving cost allocation plans, indirect cost rate and similar rates; monitoring non-Federal audit reports; conducting Federal audits as necessary; and resolving cross-cutting audit findings.

Commercial or For-Profit Organization - An organization, institution, corporation or other legal entity that is organized or operated for the profit or benefit of its shareholders or other owners.

Common Accounting Number (CAN) - A number used in Federal financial transactions to facilitate tracking through the Federal accounting system. It contains accounting, organizational, geographical, and other data elements.

Common Rule - A process whereby Federal agencies issue essentially identical regulations under the direction of OMB. These regulations may be modified by an agency to reflect variations in statutory requirements. Examples of common administrative regulations include the "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments," which implements OMB Circular A-102 guidance to Federal agencies (45 CFR Part 92 for HHS); and "Governmentwide Debarment and Suspension (Nonprocurement) and Governmentwide Requirements for Drug-Free Workplace (Grants)," (45 CFR Part 76 for HHS)

Communication Cost - The cost incurred for telephone services, local and long distance telephone calls, telegrams, facsimile transactions, postage and the like.

Competing Continuation Application - A request for assistance to extend for one or more additional budget periods a project period that would otherwise expire. Competing continuation applications compete with other competing continuation, competing supplemental, and new applications for funds.

Competing Continuation Award - An award of financial assistance which adds funds to a grant and extends one or more budget periods beyond the currently established project period.

Competitive Segment - The initial project period recommended for support (up to five years) or each extension of a project period resulting from the award of a competing continuation grant.

Competition or Competitive Review Process - A process normally followed under discretionary grant programs whereby applications are reviewed by an independent/objective review panel and

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evaluated against established review criteria and scored and rated accordingly. As a result, usually the applications with the highest scores and rating receive grants.

Complementary Funding - Separate funding by two or more awarding agencies of individual projects or activities that relate to each other.

Completion Date - The date on which all work under an award is completed or the date on the award document, or any supplement or amendments thereto, on which Federal sponsorship ends (i.e. the end of a project period).

Conflict of Interest - Any action by a reviewer in the grants review or awarding process which would affect, or could appear to affect, the reviewer's financial interest, or would cause the reviewer's impartiality in the grants process to be questioned. Specific situations include, but are not limited to, the following: a reviewer may not participate in the review or award of a specific grant application in which any of the following has a financial interest: (1) the reviewer, the reviewer's spouse, parent, child, or partner; (2) any organization in which the reviewer, the reviewer's spouse, parent, child, or partner serves as officer, director, trustee, partner or is otherwise similarly associated; (3) any organization in which the reviewer, the reviewer's spouse, parent, child, or partner is negotiating for or has an arrangement concerning prospective employment or other similar association; or (4) any organization in which the reviewer, the reviewer's spouse, parent, child, or partner has an interest with respect to any pending grant application competing under the same program as any other grant application to be reviewed by the same committee or group of field researchers.

Consortium Grant - A grant to one institution in support of a project in which any programmatic activity is carried out through a collaborative arrangement between or among the recipient institution and one or more other institutions or organizations which are separate legal entities, administratively independent of the recipient. The involvement of the non-recipient (collaborating) institutions is that of actually performing a portion of the programmatic activity.

Construction - A project, supported through a discretionary grant or a Cooperative agreement, to support the initial building or large scale modernization or permanent improvement of a facility.

Consultant - A person who is engaged to give professional advice or services for a fee, but is not acting as an employee. The term includes paid guest speakers.

Contract - An award instrument used for the acquisition, by purchase, lease, or barter, of property or services. | |

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Cooperative Agreement - An award instrument of financial assistance where "substantial involvement" is anticipated between the HHS awarding agency and the recipient during performance of the contemplated project or activity. "Substantial involvement" means that the recipient can expect Federal programmatic collaboration or participation in managing the award.

Cost Allocation Plan - Any of the following may, subject to approval, be considered cost allocation plans for recipients that are governmental units (i.e., State or local governments or Indian Tribal governments):

(1) "Central service cost allocation plan" means the documentation identifying, accumulating, and allocating or billing the allowable costs of services provided by a governmental unit on a centralized basis to its departments/agencies as described in OMB Circular A-87.

(2) "Public assistance cost allocation plan" means the documentation identifying, accumulating, and distributing the allowable costs of services provided by a public assistance agency/department in support of all Federal financial assistance programs administered or supervised by that agency/department as described in OMB Circular A-87.

(3) "Indirect cost rate proposal" means the documentation prepared by a governmental unit or subdivision thereof to substantiate its request for the establishment of an indirect cost rate as described in OMB Circular A-87.

Cost Analysis - The breakdown and verification of cost data, including evaluating specific elements of costs and examining them to determine the necessity, reasonableness, and allocability of the costs reflected in the budget and their allowability pursuant to the applicable cost principles.

Cost Center - An identifiable department or area within a recipient's organization that has been assigned an account number in the recipient's accounting system for the purpose of accumulating costs.

Cost Objective - A function, organizational subdivision, contract, grant, or other activity for which cost data are needed and for which provision is accumulate those costs.

Cost Principles - The principles as set out in applicable statutes, regulations, grantor instructions, Office of Management and Budget Circulars and generally accepted accounting rules used for determining allowability, reasonableness and allocability of costs applicable to grants, contracts and other agreements.

Cost Sharing or Matching - The value of allowable third party in-kind contributions and the allowable costs of a federally assisted project or program not borne by the Federal Government.

Cost Sharing or Matching Alternative – An alternative use of program income whereby income accrued during the period of grant support may be used to satisfy a cost sharing or matching requirement. (See "additive Alternative" and "deductive Alternative.")

Cost-type Contract - A contract in which the contractor or subcontractor is paid on the basis of the allowable costs it incurs, with or without a fee.

Currently Effective Research Patient Care Rate - The rate established by a hospital for use in reimbursing hospital costs for research patient care.

Currently Effective Indirect Cost Rate - The rate authorized by the cognizant Federal agency for reimbursing indirect costs under HHS grants.

Debarment and Suspension under Executive Orders 12549 and 12689 - The actions taken by a debarring official in accordance with Federal agency regulations implementing Executive Orders 12549 -- in HHS, Title 45 CFR Part 76 "Governmentwide Debarment and Suspension (Nonprocurement) and Governmentwide Requirements for Drug-Free Workplace (Grants)" -- to exclude a person or organization from participating in grants and other assistance awards. If debarred or suspended, the person or organization may not receive assistance funds (under a grant, cooperative agreement, or subgrant) for a specified period of time. Suspensions are temporary actions (no more than 18 months) preparatory to debarment, when immediate action is needed to protect the Government's interest. Debarments are generally three years in duration. Debarments and suspensions carried out under the Executive Orders are separate actions from suspension imposed by an awarding agency. (See "Suspension.")

Debt Collection - The process of collecting funds owed by recipients to the Federal Government generally as a result of formal disallowances taken by an authorized official of the awarding agency.

Debt Instrument - A document used to record a legal obligation of one party to pay a financial obligation to another in accordance with predetermined terms and conditions.

Deductive Alternative - One of the three alternatives for the use of program income which offsets allowable costs of the project or program. If there is a cost-sharing or matching requirement, costs borne by the income may not count toward satisfying that requirement. (See "Additive Alternative" and "Cost Sharing or Matching Alternative. ")

Deferral - For certain mandatory grants, a temporary suspension of payment on public assistance grants by HHS pending receipt of additional information relating to allowability of a recipient's cost. For discretionary grants, the term may indicate that applications are approved but not funded or held for a later review cycle.

Delinquent Federal Debt - Regarding assistance awards, any Federal debt for which the applicant has not made payment in a timely manner.

Demonstration Project - A project, supported through a grant or a cooperative agreement, generally to establish or demonstrate the feasibility of new methods or new types of services.

Denial of Refunding - A denial of a noncompeting continuation award under the project period system of funding. (See "Withholding of Support.")

Departmental Appeals Board - The administrative board responsible for final Departmental resolution of certain disputes arising under HHS assistance programs. The Board provides an impartial adjudicatory hearing process for appealing certain final written decisions which adversely affect a recipient. Its jurisdiction is specified in 45 CFR Part 16, "Procedures for HHS Grant Appeals Board."

Deviation or Exception - A departure from a regulatory or policy requirement. With respect to defining a class deviation versus an individual deviation, an individual deviation represents a deviation being sought for one grant only that arises on a case-by-case basis. A class deviation involves more than one grant for which the same type of deviation action is being requested.

Direct Costs - Those costs that can be specifically identified with a particular project, program, or activity.

Disallowance Letter - The formal letter issued to a recipient by an authorized official advising of specific costs that have been determined to be unallowable. Where appropriate, the letter also informs the recipient of its appeal rights.

Disallowed Cost or Disallowance - A charge to a grant that the Federal awarding agency determines to be unallowable, in accordance with the applicable Federal cost principles or other terms and conditions contained in the award.

Discretionary Grant - A grant that permits the Federal Government, according to specific authorizing legislation, to exercise judgment ("discretion") in selecting the applicant/recipient organization, through a competitive grant process. Types of activities commonly supported by discretionary grants include demonstration, research, training, service, and construction projects or programs. Discretionary grants are sometimes referred to as "project grants."

Document Number or Obligation Document Number - The number of an initial obligation document to which all follow-up documents (payments, refunds, etc.) will be related by the accounting system.

Eligibility - The status an entity must possess in order to be considered for a grant.

Employer Identification Number (EIN) - (1) for individuals, the social security number; (2) for organizations, the unique number assigned by the Internal Revenue Service.

Entitlement or Open-ended 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. Open-ended grants are often referred to as "open-ended entitlement grants" because the Federal Government pays a statutorily-required share of costs without dollar limits. The principal entitlement grants of the Social Security Act of 1935 (42 U.S.C. 301 et seq.) are: (1) Child

Support Enforcement and Establishment of Paternity (Title IV-D of the Act); (2) Foster Care and Adoption Assistance (Title IV-E of the Act); and, (3) Medical Assistance (Medicaid) (Title XIX of the Act) not including the State Medicaid Fraud Control program authorized by section 1903(a)(6)(B).

Equipment - The tangible nonexpendable personal property (including exempt property) charged directly to an award having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit. However, consistent with recipient policy, lower limits may be established.

Estimate Report - In the public assistance programs, States report a quarterly estimate of their anticipated expenditures for the next period. Quarterly awards are based on these estimates, plus various adjustments. States also submit budget projections for future years, which are used for Federal budget formulation.

Excess Property - The property under the control of any Federal awarding agency that, as determined by the head thereof, is no longer required for its needs or the discharge of its responsibilities.

Executive Order - An order issued by the President of the United States which has the full force and effect of law on the Executive Branch of the Federal Government.

Executive Order 12372 (Intergovernmental Review of Federal Programs) - The process under which State and local officials review certain proposed Federal financial assistance (usually in the form of grant applications). The objectives of the process are to increase State flexibility to design a consultation process and select the programs it wishes to review, increase the ability of State and local elected officials to influence Federal decisions, and compel Federal officials to be more responsive to State concerns. For those states that participate in the process, a single State official or organization is designated for coordination of the review process and to send official State process comments and recommendations to Federal agencies. These State officials or organizations are referred to as State Single Points of Contact (SPOCs). (45 CFR Part 1 00, "Intergovernmental Review of Department of Health and Human Services Programs and Activities," is HHS's implementation of the Executive Order.)

Exempt Property - The tangible personal property acquired, in whole or part, with Federal funds, where the awarding agency has statutory authority to vest title in the recipient without further obligation to the Federal Government.

Expanded Authorities - The waiver for certain recipient actions which otherwise require awarding office prior approval and the provision of additional authorities for carryover of unobligated balances, extension of budget/project period, preaward costs, and use of program income provided to certain research grants.

Expenditure Report - (1) for nonconstruction grants, the Financial Status Report; (2) for construction grants, the Outlay Report and Request for Reimbursement for Construction Programs; and (3) all other OMB-approved program-specific expenditure reports.

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Extension - The extension of a project period.

External Implementation - An awarding agency issuance which applies GPD, or other grant-related policies, directly to recipients.

Fair Market Value - The price that a prudent person would pay for property, services, or other assets at a particular time under free market conditions in the conduct of competitive business.

Federal Acquisition Regulation (FAR) - The codification of uniform policies and procedures for acquisition by all executive agencies of the Federal Government except those statutorily exempted. (48 CFR Chapter 1.)

Federal Cash Transaction Report - A standard form, PMS 272, used to monitor cash advanced to recipients and to obtain disbursement information for each agreement with the recipients.

Federal Demonstration Partnership (FDP) - A formal collaboration of Federal research agencies and research institutions to increase the productivity and reduce the administrative burden of federally supported research and education. The FDP currently consists of 65 research institutions, 14 Federal agencies and 5 affiliates.

Federal Financial Participation (FFP) - The Federal share of some mandatory grants under which the awarding agency is required to pay a specified percent of the program costs.

Federal Funds Authorized - The total amount of Federal funds obligated by the Federal Government for use by the recipient. This amount may include any authorized carryover of recipient unobligated funds from prior funding periods when permitted by agency regulations or agency implementing instructions.

Federal Grant and Cooperative Agreement Act of 1977 - The Act (31 U.S.C. 6301 et seq.) which establishes guidelines for distinguishing Federal assistance relationships from Federal procurement relationships. It clarifies the difference between acquisition and assistance and requires the use of grants or cooperative agreements for the provision of general financial assistance whereas contracts are used to acquire goods or services for the direct benefit and use of the government.

Federal Medical Assistance Percentage (FMAP) - The percentage of a State's Medicaid expenditures, other than administrative and selected other items of cost, which the Federal Government will pay. The percentage varies by State in accordance with a statutory formula.

Federal Share - The amount, generally expressed as a percentage of total project costs, of financial, property, or other direct assistance provided by the Government to an eligible recipient to accomplish a public purpose of support or stimulation authorized by statute. The Federal and non-Federal share are so noted on the Notice of Grant Award.

Federally-recognized Indian Tribal Government - The governing body of any Indian tribe, band, nation, or other organized group or community including any Native village as defined in section 3 of the Alaska Native Claims Settlement Act of 1971 (43 U.S.C. 1601 et seq.)] certified

by the Secretary of the Interior as eligible for the special programs and services provided through the Bureau of Indian Affairs.

Field Reader - A person selected to review grant applications during a competitive review process. Field readers may function the same as independent review group members except that they do not meet to discuss applications and their evaluations are submitted by mail.

Final Indirect Cost Rate - A permanent rate established after the actual direct costs for a given fiscal year of the organization are known and the actual amount of indirect costs applicable to Federally-sponsored programs have been determined. This type of rate is not subject to subsequent adjustment.

Final Research Patient Care Rate - A permanent rate established for hospitals after the actual costs and charges of a given fiscal year of the hospital are known. Final rates are not subject to subsequent adjustment.

Financial Status Report (FSR) - A standard, Federal Government form, SF-269 (long form) or SF-269A (short form), used to monitor the financial progress of the grant and show the status of funds in non-construction programs. Both forms provide data by grant budget period and contain information on total outlays (Federal and recipient shares) and unobligated recipient balances. The long form is used for grants that involve cost sharing/matching or program income. The short form may be authorized for use in grants that do not have these types of financial activity.

Fixed Indirect Cost Rate - A permanent rate that has the same characteristics as a predetermined rate. However, unlike a predetermined rate, the difference between the estimated costs used to establish the fixed rate, and the actual costs of the period covered by the rate, is "carried forward" as an adjustment to the rate computation of a subsequent period.

Flow Down/Flow Thru Provisions - The rules governing whether, and how, grant terms apply to subgrants.

Foreign Institution - An institution located in a country other than the United States and its territories that is subject to the laws of that country, irrespective of the citizenship of the proposed investigator.

Funding Period - The period of time when Federal funding is available for obligation by the recipient.

Government - A State or local government or Federally-recognized Indian tribal government or any subdivision thereof. The term does not include institutions of higher education and hospitals.

Grant - Financial assistance (including cooperative agreements) in the form of money, or property in lieu of money, by the Federal Government to an eligible recipient. The term does not include: any Federal procurement subject to the Federal Acquisition Regulation (FAR); technical assistance (which provides services instead of money); or assistance in the form of revenue sharing, loans, loan guarantees, interest subsidies, insurance, or direct payments of any kind to individuals.

Grant-Approved Project/Activities - Those activities specified or described in a grant application, plan, or other document that are approved by the HHS awarding office for funding, or changes which may be proposed by the grantee and subsequently approved by the HHS awarding office Grants Officer. For purposes of this definition, it does not matter whether Federal funding constitutes all or only a portion of the financial support necessary to carry out such activities.

Grant File - The official file of a particular grant that contains all significant documents and correspondence related to the award.

Grantee - See "[Recipient](#)."

Grants Administration Manual (GAM) - The HHS internal manual setting forth guidance and administrative requirements and procedures for managing grants and cooperative agreements awarded by agencies of the Department. It is being replaced, over time, by Departmental Grants Policy Directives. Eventually, only the OPDIVs that make awards will maintain their own GAM(s).

Grants Management Officer (GMO)/Grants Officer - The individual designated to serve as the HHS official responsible for the business management aspects of a particular grant(s) or cooperative agreements. The GMO serves as the counterpart to the business officer of the recipient organization. In this capacity, the GMO is responsible for all business management matters associated with the review, negotiation, award, and administration of grants and interprets grants administration policies and provisions. He/she works closely with the program or project officer who is responsible for the scientific, technical, and programmatic aspects of the grant.

Grants Management Specialist - A Federal staff member who oversees the business and other non-programmatic aspects of one or more grants and/or cooperative agreements. These activities include, but are not limited to, evaluating grant applications for administrative content and compliance with regulations and guidelines, negotiating grants, providing consultation and technical assistance to recipients, post-award administration and closing out grants.

Grants Policy Directives (GPDS) - The primary source of Departmental policies affecting all HHS assistance programs. GPDs are the highest level of internal policy issuance within the Department and are issued solely as an instrument of internal grants management guidance for HHS staff. GPDs will eventually replace the HHS Grants Administration Manual (GAM).

Guaranteed/insured Loans - Those programs under which the Federal Government arranges to indemnify a lender against part or all of any defaults by those responsible for repayment of loans.

HCFA - Health Care Financing Administration.

Health and Human Services Acquisition Regulation (HHSAR) - The Department's codification of uniform acquisition policies and procedures that implements and supplements the Federal Acquisition Regulation (FAR). (48 CFR Chapter 3.)

Health Scientist Administrator (HSA) - In PHS, the awarding office official who is responsible for the technical, scientific, or programmatic aspects of a grant. This official may also be referred to as the program officer or project officer. Such individuals deal with recipient organization staff to assure programmatic progress and work closely with the Grants Management Officer and the grants management staff in the overall administration of grants.

HHS - The U.S. Department of Health and Human Services.

High-risk or At-risk - terms used to describe a recipient whose risk of financial failure is determined to be high based on a history of poor performance or poor business practices, financial instability, or lack of a management system that meets the required financial management standards.

Hospital Cost Principles - The HHS regulation (45 CFR, Part 74, Appendix E, "Principles For Determining Costs Applicable to Research and Development Under Grants and Contracts With Hospitals") establishing the cost principles for allowability of costs incurred by hospitals.

Human Subjects - Individuals whose physiologic or behavioral characteristics and responses are the object of study in a research project. Under federal regulations, human subjects are defined as living individuals about whom an investigator conducting research obtains data through intervention or interaction with the individuals or identifiable private information. The human subjects rules do not apply to research and demonstration projects involving programs, such as demonstrations under Section 1115 of the Social Security Act. (45 CFR Part 46 is HHS's implementation of statutory requirements concerning the protection of human subjects.)

Incremental Funding - The process by which an awarding agency funds multi-year projects in budget periods. For example, a three-year project would normally be funded in three budget periods.

Independent Auditor - An individual accountant, accounting firm, public or private agency, association, corporation, or partnership sufficiently independent of the recipient being audited to render objective and unbiased opinions, conclusions, and judgments.

Independent or Objective Review - An advisory competitive review of discretionary grant applications usually conducted by peer/expert review groups.

Indian-owned business - A business which is, at a minimum, 51 percent owned, controlled, and operated by an Indian or Indians.

Indirect Costs - Those costs that are incurred for common or joint objectives and therefore cannot be identified readily and specifically with a particular sponsored project, program, or activity but are nevertheless necessary to the operations of the organization. For example, the costs of operating and maintaining facilities, depreciation, and administrative salaries are generally treated as indirect costs. (Note: for institutions subject to OMB Circular A-21, the term "facilities and administration" is used to denote indirect costs.)

Indirect Cost Base - The accumulated direct costs (normally either total direct salaries and wages or total direct costs exclusive of any extraordinary or distorting expenditures) that are used to distribute indirect costs to individual Federal grant awards and programs.

Indirect Cost Pool - The accumulated costs that jointly benefit two or more programs or other cost objectives.

Indirect Cost Proposal - The documentation prepared by a recipient to substantiate its claim for the reimbursement of indirect costs. This proposal provides the basis for review, audit, and negotiation leading to the establishment of the organization's indirect cost rate(s).

Indirect Cost Rate - The ratio, expressed as a percentage, of an organization's total indirect costs to its direct cost base (commonly direct salaries and wages or total direct costs exclusive of any extraordinary or distorting expenditures). When a rate is established for a specific activity or program, the rate represents the ratio of the total indirect costs allocated to the activity or program to the direct base costs of the activity or program. (See "Indirect Cost Base.")

Indirect Cost Rate Agreement - The document that formalizes the establishment of indirect cost rates and provides information on the proper application of the rates.

Initial Review Group (IRG) - In PHS, a group composed of primarily non-Federal scientific experts who conduct the initial scientific and technical merit review of grant applications.

Institutional Review Board (IRB) - A recipient administrative body established to protect the rights and welfare of human research subjects recruited to participate in research activities conducted under the auspices of the institution with which it is affiliated. The IRB has the authority to approve, require modifications in, or disapprove all research activities that fall within its jurisdiction.

Intangible Property and Debt Instruments - Trademarks, copyrights, patents and patent applications (except for a subject invention, as the term is used in 37 CFR Part 401, "Rights to Inventions Made by Non-Profit Organizations and Small Business Firms Under Government Grants, Contracts, and Cooperative Agreements") and such property as loans, notes and other debt instruments, lease agreements, stock and other instruments of property ownership, whether considered tangible or intangible.

Internal Implementation - Any awarding agency issuance (including its GAM) which establishes the procedures) for agency staff to implement Grants Policy Directives (GPDs), or other grants-related policies within the awarding agency.

International Organization - An organization identifying itself as international or intergovernmental, with membership from (and representing the interests of) more than one country, without regard to whether the headquarters of the organization or location of its activity are inside or outside the United States.

Invention - Any discovery which is or may be patentable or otherwise protectable. The term "subject invention" means any invention of an awardee conceived or first actually reduced to

practice in the performance of work under a funding agreement, i.e., contract, grant, or cooperative agreement.

Invention Reporting - The requirement that recipients of contracts, grants or cooperative agreements fully disclose any subject inventions made during the performance of work under a funding agreement in order to protect the Government's rights.

Lists of Parties Excluded from Federal Procurement or Nonprocurement - The GSA monthly debarment and suspension book. It contains one list for procurement and another for nonprocurement. (see "Debarment and Suspension.")

Local Government - A county, municipality, city, town, township, local public authority (including any public and Indian housing agency), school district, special district, intra-State district, council of governments (whether or not incorporated as a nonprofit corporation under State law), any other regional or interstate government entity (such as regional planning agencies), or any agency or instrumentality of a local government. The term does not include institutions of higher education and hospitals.

Low-cost Extension - An extension of time to a project period and/or budget period to complete the work under a grant, with minimal amount of further Federal support.

Maintenance of Effort - A requirement contained in authorizing legislation, regulation, or administrative policy stating that in order to receive Federal grant funds a recipient must agree to contribute and maintain a specified level of financial effort for the grant from its own resources or other non-Federal sources. This requirement is usually given in terms of meeting a previous base-year dollar amount.

Mandatory Grant - A grant that a Federal agency is required by statute to award if the recipient (usually a State) submits an acceptable State Plan or application and meets the eligibility and compliance requirements of the statutory and regulatory provisions of the grant program. Mandatory grants include open-ended entitlement grants, closed-ended grants, and block grants. In the past, mandatory grants were sometimes referred to as "formula grants."

Material Equity Lease - A lease under which the lessee acquires a material equity in the leased property. A material equity in the property exists if the lease is noncancelable, or is cancelable only upon the occurrence of some remote contingency, and has one or more of the following characteristics: (1) the lessee has the right to purchase the property for a price which at the beginning of the lease appears to be substantially less than the probable fair market value at the time it is permitted to purchase the property (commonly called a lease with a bargain purchase option.) (2) title to the property passes to the lessee during or after the lease period. (3) the term of the lease (initial term plus periods covered by bargain renewal options, if any) is equal to 75 percent or more of the economic life of the property and is expected to be economically usable by one or more users. Material equity leases are also referred to as "capital leases."

Minority Business Enterprise - A business, at least 51 percent of which is owned, controlled, and managed by a minority group member or members who are U.S. citizens.

Misconduct in Science - Fabrication, falsification, plagiarism, or other practices in carrying out research or in proposing, conducting, or reporting research that seriously deviates from those that are commonly accepted within the scientific community. It does not include honest error or honest differences in interpretations or judgments of data.

Monitoring - A process whereby the programmatic and business management performance aspects of a grant are reviewed by collecting and assessing information from reports, audits, site visits, and other sources.

National Advisory Council/Board - An administrative body in PHS which may be composed of both scientists and lay members, which has a broader responsibility than initial review groups. As authorities knowledgeable in specific areas, Council/Board members may perform the final advisory review of grant applications and also offer advice and make recommendations on matters of significance to the policies, missions, and goals of the awarding unit they advise.

No-cost Extension - An extension of time to a project period and/or budget period to complete the work of the grant under that period, without additional Federal funds or competition.

Noncompeting Application - Those applications which will be reviewed noncompetitively, rather than through the usual competitive review process.

Noncompeting Continuation Award - A financial assistance award for a subsequent budget period within a previously approved project period for which a recipient does not have to compete with other applicants.

Nongovernmental Organization - A public or private institution of higher education; a public or private hospital; an Indian tribe or Indian tribal organization which is not a Federally-recognized Indian tribal government; and a quasi-public or private nonprofit organization or commercial organization. The term does not include a State or local government, a Federally recognized Indian Tribal Government, an individual, a Federal agency, a foreign or international governmental organization (such as an agency of the United Nations), or a government-owned contractor-operated facility or research center providing continued support for mission oriented large scale programs that are government-owned or controlled or are developed as a Federally Funded Research and Development Center under Office of Federal Procurement Policy letter 84-1.

Non-Federal Share - The portion of allowable project costs not borne by the Federal Government.

Non-monetary Assistance - A type of assistance whereby goods or services are provided to recipients in lieu of cash. Non-monetary assistance generally involves the assignment of Federal personnel or the provision of equipment or supplies such as vaccines and generally requires specific legal authority.

Nonprofit Organization - A corporation or association whose profits may not lawfully accrue to the benefit of any private shareholder or individual.

Non-standard Agreement - Agreements used by Federal agencies and managed in a way similar to grants. These may include memoranda of understanding with foreign governments, States, and other entities; reimbursable agreements; trust agreements; and interagency agreements.

Notice of Grant Award (NGA) - The official award document, signed by the Grants Management Officer, or his or her delegate, that: (1) notifies the recipient of the award of a grant; (2) contains or references all the terms and conditions of the grant and Federal funding limits and obligations; and, (3) provides the documentary basis for recording the obligation of Federal funds in the Department's accounting system.

Obligations by Recipients - The amounts of orders placed, contracts and subgrants awarded, goods and services received, and similar transactions during a funding period that will require payment during the same or a future period.

OIG - Office of the Inspector General.

OIG Clearance Document (OCD) - An Office of Inspector General Clearance Document (OCD) is the means by which OPDIV officials report the management decisions and actions taken on recommendations in Office of Inspector General (OIG) reports. OCDs are used as the source document by the Office of Audit Services, OIG, to clear the report recommendations from the Stewardship Report. The OCD is used to process OIG recommendations pertaining to financial adjustments, nonmonetary or procedural issues, the final disposition of accounts receivable, and funds put to better use. The original OCD is generally prepared to report the management decisions taken on all OIG recommendations, including any monetary recoveries to be made, during the initial six month period. The final OCD is used to report the final management action on an account receivable, i.e., final collection, offset against other obligated funds or write-off.

OMB - The United States Office of Management and Budget.

OMB Circular A-21 - The OMB Circular establishing the cost principles for allowability of costs incurred by institutions of higher education under Federally-sponsored agreements.

OMB Circular A-87 - The OMB Circular establishing the cost principles for allowability of costs incurred by State, local and Federally-recognized Indian tribal governments under Federally-sponsored agreements.

OMB Circular A-102 - The OMB Circular establishing the administrative standards for grants (except for some block grants and entitlement grants) and cooperative agreements to State and local governments and Federally-recognized Indian tribal governments.

OMB Circular A-110 - The OMB Circular establishing the administrative standards for grants and cooperative agreements to nongovernmental organizations.

OMB Circular A-122 - The OMB Circular establishing the cost principles for allowability of costs incurred by nonprofit organizations under Federally-sponsored agreements, except institutions of higher education subject to Circular A-21 and hospitals which are covered under 45 CFR Part 74, Appendix E, "Principles For Determining Costs Applicable to Research and Development Under Grants and Contracts With Hospitals." Note that the allowability of costs incurred by commercial organizations is determined in accordance with the provisions of the Federal Acquisition Regulation (FAR), Part 31.

OMB Circular A-133 - The OMB Circular establishing audit requirements for States, Local Governments, Indian Tribes and non-profit organizations.

Operating Division (OPDIV) - As used in the GPD system, the term Operating Division means the Administration for Children and Families, the Administration on Aging, the Agency for Health Care Policy Research, the Centers for Disease Control and Prevention, the Food and Drug Administration, the Health Care and Financing Administration, the Health Resources and Services Administration, the Indian Health Service, the National Institutes on Health, the Substance Abuse and Mental Health Services Administration, the Program Support Center, and other awarding agencies of the Department such as the Office of Population Affairs, the Office of Minority Health, the Office of the Inspector General; and the Office of the Assistant Secretary for Planning and Evaluation.

Outlays or Expenditures - The charges made to the Federally-sponsored project or program. They may be reported on a cash or accrual basis. For reports prepared on a cash basis, outlays are the sum of actual cash disbursements for direct charges for goods and services, the amount of indirect expense incurred, the value of in-kind contributions applied, and the amount of cash advances and payments made to contractors and subrecipients. For reports prepared on an accrued expenditure basis, outlays are the sum of actual cash disbursements, the amount of indirect expense incurred, the value of in-kind contributions applied, and the net increase (or decrease) in the amounts owed by the recipient for the goods and other property received, for services performed by employees, contractors, subrecipients, subcontractors, and other payees, and other amounts becoming owed under programs for which no current services or performance are required, such as annuities, insurance claims, and other benefit payments.

Patent - A property right awarded by the Government whereby the Government grants the right to exclude others from making, using or selling the invention for a period of years.

Payment Management System (PMS) - The HHS centralized grants payment system. Most HHS, and some other Federal Government agencies' recipients are paid through this system.

Peer Review - A form of independent review utilizing reviewers who are the professional equivalents of the applicant's Project Direct or Principal Investigator.

Percentage of Completion Method - A system under which payments are made for construction work according to the percentage of completion of the work, rather than for the recipient's incurred cost.

PHS - Public Health Service.

Pre-application - A Statement, in summary form, of the applicant's intent to request Federal funds. It is used to determine: (1) the applicant's eligibility; (2) the standing of the proposed project compared to similar applications; and (3) those applications with little or no chance for Federal funding, before applicants incur significant expenditures for preparing an application. Pre-applications are required for all construction projects for which proposed Federal funding exceeds \$1 million. Pre-applications may be required for other assistance programs as well, at the option of the HHS awarding office.

Preaward Cost - The cost incurred prior to the effective date of the award and in anticipation of the award, where incurrence is necessary to comply with the proposed delivery schedule or period of performance.

Predetermined Indirect Cost Rate - An indirect cost rate, applicable to a specified current or future period, usually the recipient's fiscal year. This rate is based on an estimate of the costs to be incurred during the period. Except under very unusual circumstances, a predetermined rate is not subject to adjustment.

Predetermined Research Patient Care Rates - A permanent rate for research patient care established for a future period based on an estimate of the costs and charges of that period. Except under very unusual circumstances, this type of rate is not subject to subsequent adjustment.

Principal - An officer, director, owner, partner, key employee, or other person within a recipient organization with primary management or supervisory responsibilities; or a person who has a critical influence on or substantive control over a covered transaction, whether or not employed by the recipient organization. Persons who have a critical influence on or substantive control over a covered transaction are: (1) Project Director/Principal Investigator/Program Director; and (2) Researchers.

Prior Approval - The written permission provided by the authorized granting official from the HHS awarding office before the recipient may undertake certain activities (such as performance or modification of an activity), expend funds, or exceed a certain dollar level.

Program Announcement - An awarding agency's formal published announcement of the availability of Federal funding through one of its assistance programs. The announcement invites applications and provides such information as eligibility and evaluation criteria, funding preferences/priorities, how to obtain application kits, and the submission deadline.

Program Income - Regarding assistance relationships, the gross income received by the recipient and/or sub-recipient that was directly generated by the supported activity, or earned as a

result of the award. Program income includes (but is not limited to) income from fees for services performed, the use or rental of real or personal property acquired under the grant, the sale of commodities or items fabricated under an award, license fees and royalties on patents and copyrights, and payments of interest on loans made with grant funds. Except as otherwise provided in statute, regulation, or the terms and conditions of the award, program income does not include interest earned on advances of grant or subgrant funds, or rebates, credits, discounts, refunds, etc., or interest earned on any of them.

Program Information File - A file containing all general information affecting the assistance program.

Program Official/Project Officer - The individual designated as the official responsible for the programmatic, scientific, and/or technical aspects of HHS programs. He/she serves as the counterpart to the Department's Grants Management Officer who is responsible for all business management aspects of a grant.

Progress or Performance Report - A recipient report which contains for each grant information on the comparison of actual accomplishments to objectives established for the period. In addition, where the output of the project can be quantified, a computation of the cost per unit of output may be required.

Project Costs - The total allowable costs incurred by a recipient (and the value of the in-kind contributions made by third parties) in accomplishing the objectives of the award during the project period.

Project Director/Principal Investigator/Program Director - An individual designated by the recipient to direct the project or program being supported by a grant. He/she is responsible and accountable to officials of the recipient organization for the proper conduct of the project, program, or activity.

Project Period - The total time stated in the Notice of Grant Award (including any amendments) for which Federal support is recommended. The period will consist of one or more budget periods. It does not constitute a commitment by the Federal Government to fund the entire period.

Property - The term, unless otherwise stated, includes real property, equipment, intangible property and debt instruments.

Provisional Indirect Cost Rate - A temporary rate established for a given period to permit interim reimbursement of indirect costs pending the establishment of a permanent rate for the period. When a permanent rate is established, the indirect costs reimbursed based on the provisional rate are adjusted upward or downward to reflect the costs based on the permanent rate.

Provisional Research Patient Care Rate - A temporary rate established for a given period to permit funding and reporting of research patient care costs pending the establishment of permanent rates for the period. When permanent rates are established, the research patient care

costs reimbursed on each grant based on the provisional rates are subject to adjustment to reflect the costs based on the permanent rates.

Real Property - Land, including land improvements, structures and appurtenances thereto, but excluding movable machinery and equipment.

Reasonable Cost - A cost is reasonable if, in its nature or amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost.

Recipient or Grantee - The entity receiving financial assistance directly, in the form of a grant or cooperative agreement, from a Federal agency to carry out a project or program. Although grant funding and benefits may be limited to a particular site or component of a larger entity, the entire legal entity that received the award is legally responsible for carrying out a program or project, even if the grant award document refers only to the particular site or component.

Reconversion Cost - The cost incurred in the restoration or rehabilitation of a recipient's facilities to approximately the same condition existing immediately prior to commencement of a sponsored agreement, fair wear and tear excepted.

Reimbursement - A payment made by Treasury check or other appropriate payment mechanism to a recipient upon its request after cash disbursements are made by the recipient. Most reimbursement payments are processed through the Payment Management System (PMS), the Department's centralized grants payment system. Reimbursement payments occur less frequently than advance payments. Reimbursement financing is generally used in the following circumstances: for specific designated programs such as construction; when a recipient has been determined to be "high-risk"; or when a recipient elects to be financed on a reimbursement as opposed to an advance method of payment.

Replacement Equipment - The property acquired to take the place of other equipment. To qualify as replacement equipment, it must serve the same function as the equipment replaced and must be of the same nature or character, although not necessarily the same model, grade, or quality.

Replacement Recipient - An organization which assumes responsibility, upon approval of the awarding agency, for an existing financial assistance award. In order for there to be a replacement recipient, the bona fide need for the project must continue, the purpose of the grant from the government's perspective must be the same, and the revised grant must have the same scope. An example of a replacement grant would be when a principal investigator transfers to a new organization and the original recipient relinquishes the grant to that organization.

Research and Development (R&D) - All research activities, both basic and applied, and all development activities that are supported at universities and other institutions. "Research" is the systematic study directed toward fuller scientific knowledge or understanding of the subject studied. "Development" is the systematic use of knowledge and understanding gained from

research directed toward the production of useful materials, devices, systems, or methods, including design and development of prototypes and processes.

Research Patient Care - Routine and ancillary services provided by hospitals to patients participating in research programs. The costs of these services are normally assigned to individual research projects through the development and application of research patient care rates or amounts (collectively referred to as "rates").

Research Patient Care Cost Agreement - The document that formalizes the establishment of research patient care rates and provides information on the proper application of the rates.

Research Patient Care Cost Proposal - The documentation submitted by a hospital to substantiate its claim for the reimbursement of research patient care costs. This proposal provides the basis for review, negotiation, and audit leading to the establishment of the hospital's research patient care rates.

Reversionary Interest - The interest of the Government in real property acquired with Federal grant funds. To protect that interest, real property acquired with grant funds may not be conveyed, transferred, assigned, mortgaged, leased or in any other manner encumbered by the recipient, except as expressly authorized in writing by the awarding component.

Small Business Concern - A business, including its affiliates, which is independently-owned and operated, is not dominant in the field of operation, and can further qualify under the criteria concerning number of employees, average annual receipts, or other criteria, as prescribed by the Small Business Administration (Title 13 CFR 121, "Small Business Concern").

SMARTLINK II - An Electronic Funds Transfer (EFT) payment system which allows a recipient organization using a Personal Computer (PC) with a modem to dial directly into the Payment Management System (the Department's centralized payments system) and request Federal cash on its assistance programs as frequently as disbursements (outlays) are made. The cash is then electronically direct deposited into the recipient organization's account the next business day. SMARTLINK II can be used by any recipient organization that has a PC with a modem.

Sole Source Award - A new award, neither urgent nor unsolicited, which is not competed.

Special-purpose Equipment - That equipment which is only usable for research, medical, scientific, or other technical activities. This includes such items as microscopes, X-ray machines, and surgical instruments. The governing criterion for distinguishing general-purpose equipment from special purpose equipment is the potential use of the equipment, not its actual use. General-purpose equipment does not become special-purpose equipment merely because it is used only on research, medical, scientific or other technical activities, or because it is used in a scientific or technical location or environment.

State - Although the definition may vary in different statutes, generally it means any of the States of the United States, the District of Columbia, any commonwealth, territory or possession of the

United States, or any agency or instrumentality of a State exclusive of institutions of higher education, hospitals and units of local government.

State Plan - A plan submitted to a Federal agency which describes the proposed uses of Federal funds and assures compliance with pertinent statutory and regulatory requirements. A State plan generally is applicable to mandatory grant programs.

State Public Assistance Agency - The State agency administering or supervising the administration of the public assistance programs operated by the State.

Stewardship - The management of assistance programs to be exercised by Federal officials. Grants management officials oversee the process of evaluating and awarding grants and actively participate in the management of grants to ensure that funding is properly and prudently utilized, that all applicable laws and regulations are followed, and that the mission of the sponsor is furthered.

Stipend - A payment made to an individual under a fellowship or training grant in accordance with preestablished levels to provide for the individual's living expenses during the period of training.

Subdivision by Programmatic Segment - Some grants and subgrants encompass two or more programmatic segments (such as discrete programs, projects, functions, or types of activities). In these cases, the awarding party may require that the approved budget be subdivided to show the anticipated cost of each programmatic segment.

Subgrant - Financial assistance in the form of money, or property in lieu of money, made by a recipient to an eligible subrecipient using Federal funds. The term includes such financial assistance when provided by any legal agreement (even if the agreement is called a contract) but does not include any form of assistance which is excluded from the definition of "grant."

Supplant - To replace funding of a recipient's existing program with funds from a Federal grant, usually a mandatory grant. Mandatory grant statutes and regulations frequently prohibit this practice.

Supplemental Application - A request for an increase in support during a current budget period to expand a project's scope or to meet unforeseen increased costs.

Supplemental Award - The award of additional funds 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.

Supplies - All personal property excluding equipment, intangible property, debt instruments, and inventions of a contractor conceived or first actually reduced to practice in the performance of work under a funding agreement ("subject inventions"), as defined in 37 CFR Part 401, "Rights to Inventions Made by Non-profit Organizations and Small Business Firms Under Government Grants, Contracts, and Cooperative Agreements. "

Surplus Property - That property no longer needed by the Federal Government, declared surplus by the United States General Services Administration, and available for donation for authorized purposes.

Suspension - An action by a Federal awarding agency that temporarily suspends Federal financial assistance under an award, pending corrective action by the recipient or pending a decision to terminate the award by the awarding office. Suspension of an award is a separate action from suspension under agency regulations implementing Executive Order 12549, "Debarment and Suspension," found in Title 45 CFR Part 76.

Termination - The permanent cancellation of the recipient's authority to obligate all or part of the funds which have been awarded to it. It also means the recipient's voluntary relinquishment of that authority. Termination is distinct from HHS' refusal to provide additional funds through a non-competing continuation award (denial of refunding/withholding of support).

Termination Cost - The cost incurred, or the need for special treatment of costs, which would not have arisen had the agreement not been terminated.

Terms and Conditions - All requirements imposed on a recipient by the Federal awarding agency, whether by statute, regulation, or within the grant award document itself. The terms of award may include both standard and special provisions, appearing on each Notice of Grant Award, that are considered necessary to attain the objectives of the grant, facilitate postaward administration of the grant, conserve grant funds, or otherwise protect the Federal Government's interests.

Third-party In-Kind Contribution - The value of non-cash contributions directly benefiting a grant-supported project or program that are provided by non-Federal third parties to the recipient, the subrecipient, or a cost-type contractor under the grant or subgrant without charge. In-kind contributions may be in the form of real property, equipment, supplies and other expendable property, and goods and services directly benefiting and specifically identifiable to the project or program.

Total Project Costs - The total allowable direct and indirect costs incurred by the recipient to carry out an approved grant supported project or activity, including costs charged to the HHS grant, costs paid by the recipient from non-Federal sources, and the value of third-party in-kind contributions.

Training Project - A program supported through a discretionary grant or a cooperative agreement, to support staff training in techniques pertaining to the delivery of certain services (or to the performance of functions necessary to the development of these services).

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

Unliquidated Obligation - (1) For reports prepared on a cash basis, the amount of obligations incurred by the recipient that has not been paid; and (2) For reports prepared on an accrued

expenditure basis, the amount of obligations incurred by the recipient for which an outlay has not been recorded.

Unobligated Balance - The portion of the funds authorized by the Federal agency that has not been obligated by the recipient.

Unrecovered Indirect Costs - The difference between the amount awarded and the amount which could have been awarded under the recipient's approved, negotiated indirect cost rate.

Urgent Application - An application which cannot be held for the next applicable independent review process because, in order for the objective of the project to be achieved, support must be provided immediately. An urgent application may be unsolicited, in response to a program announcement, or in anticipation of a future announcement. Examples of urgent applications are emergency disaster relief projects and "now-or-never" research projects.

Urgent Award - An award of financial assistance for which support must be provided immediately in order for the objective of the project to be achieved.

Unsolicited Application - An application received for a project which is not within the scope of any program announcement issued or expected to be issued, but which clearly is within the scope of activities which can be supported by the awarding agency. Such applications must be submitted in writing and solely on the applicant's own initiative, without prior formal or informal solicitation by any Federal Government official.

Vertebrate Animals - Any live animal having a backbone or spinal column used or intended for use in research, research training, experimentation or biological testing or for related purposes.

Waiver - Authority provided to the Secretary or other designated HHS official to permit certain actions or projects (such as State demonstration projects), or to remove certain specific statutory or regulatory requirements or restrictions.

Withholding of Payment - An action taken by an awarding agency, after appropriate administrative procedures have been provided, which delays a recipient's ability to access its grant funds until the recipient takes corrective action required by the awarding agency. This action is generally considered to be less serious than a suspension action.

Withholding of Support - A denial of a noncompeting continuation award under the project period system of funding. (See "Denial of Refunding.")

Woman-owned Business - A business which is, at least, 51 percent owned, controlled, and operated by a woman or women.