

Definitions

Here are definitions of some commonly used terms in grants and contracts:

A-21: Cost Principles for Educational Institutions

Published by the federal Office of Management and Budget (OMB), establishes the principles for determining the costs applicable to grants, contracts, and other government agreements with educational institutions.

Academic Year

The nine-month period between September and May that includes twenty biweekly pay periods. (Summer Term is the three-month period between June and August that includes six biweekly pay periods.)

Audit

A formal examination of an organization's or individual's accounts or financial situation. An audit may also include examination of compliance with applicable terms, laws, and regulations.

Base Salary

The annual salary the university agrees to pay an individual employee for the year involved. For faculty and other employees not employed on a twelve-month basis, the base salary is what an individual is contracted to receive during the academic year. The Employee Base Salary Rate is the employee's normal biweekly salary, divided by 75 hours.

Budget

The financial expression of the project or program as approved during the award process. It may be related to performance for program evaluation purposes whenever appropriate.

Budget Period

The interval of time, usually twelve months, into which the project period is divided for budgetary and funding purposes. (Also see Project Period.)

Closeout

The process by which an 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.

Collective Bargaining Agreement

Contract administration for all unions, except APSCUF, is managed through the Office of Human Resources. The collective bargaining agreements, which are multi-year contract agreements, provide the terms and conditions of employment for employees represented by the various unions. The conditions of employment include hourly wages; overtime and shift differential compensation; benefit costs which include medical, dental, vision, prescription, etc.; annual, personal, and sick leave entitlements; etc. The two unions most likely to affect Project Directors are: AFSCME (representing staff positions, i.e., clerical, laborers, clerks, fiscal assistants); and SCUPA (representing grant-funded program coordinators).

Consortium or Collaborative Grant

A grant made to one institution in support of a research project, in which the project is carried out through a collaborative arrangement between the grantee institution and one or more participating profit or nonprofit institutions.

Contract

An award instrument establishing a binding legal procurement relationship between the funding agency and the university, obligating the latter to furnish a product or service defined in detail in the contract and binding the agency to provide payment.

Cooperative Agreement

A funding mechanism used when a program requires more agency involvement and restrictions than a grant but requires less agency supervision than a contract.

Cost Sharing (Cost Matching)

That portion of project or program not borne by the awarding agency.

- Cash contributions: Items that require an actual cash outlay of funds and must be supported by a university cost center. Cash match may be available at the department, college, or university level.
- In-kind contributions: Items that are already supported by the institution and continue regardless of the grant funding. One type of in-kind match is the reimbursement of indirect costs. To include indirect as a Cal U in-kind match commitment, first look at the funding agency's requirements and the percentage of indirect costs that the agency will reimburse. Some agencies allow the difference between the current approved indirect rate and their allowable reimbursement rate as an in-kind contribution. Please note that not all funding sources allow indirect to be used to meet their match requirement.
- Third Party contributions: Items that are committed to the project by an outside party. This commitment must be documented by a letter of support from an authorized official

of that agency and must not involve any state, federal, local or private grant funding for that agency.

Direct Costs

Clearly identifiable costs related to a specific project. General categories of direct costs include, but are not limited to, salaries and wages, fringe benefits, supplies, contractual services, travel and communication, equipment, and computer use.

Federal Awarding Agency

The federal agency that provides an award to the recipient.

Extension

An additional period of time given by the sponsor to organizations for the completion of work on an approved grant or contract. An extension allows previously allocated funds to be spent after the original expiration date.

Facilities and Administrative (F&A) Costs

Expenses incurred in supporting research or other activities but not directly attributable to just one project. General categories include the cost of facilities, utilities, equipment, and University services such as purchasing, personnel, accounting, or computing.

Fiscal Year (FY)

Any twelve-month period for which annual accounts are kept. At Cal U, July 1 through June 30 is the fiscal year.

Gift

A charitable donation. Gifts differ from grants in that gifts have no accountability for the spending of the money, no reporting requirements, and no specific terms and conditions. Gifts are administered through the Foundation for Cal U.

Grant

A simple funding mechanism used by agencies to allocate extramural support. A grant award provides maximum flexibility in the expenditure of funds and performance of the work. There is little agency involvement and grant terms and conditions are usually referenced to a set of governing principles. Federal agencies award a grant when the principal intention is to accomplish a public purpose of support or simulation authorized by federal statute.

Indirect Costs

Costs related to expenses incurred in conducting or supporting research or other externally funded activities but not directly attributable to a specific project. General categories of indirect costs include general administration (accounting, payroll, purchasing, etc.), sponsored project administration, plant operation and maintenance, library expenses, departmental administration expenses, depreciation or use allowance for building and equipment, and student administration and services.

Indirect Cost Rate

The rate, expressed as a percentage of a base amount established by negotiation with the mindful federal agency on the basis of the institution's projected costs for the year.

IRB (Institutional Review Board for the Protection of Human Subjects)

The regulatory body of Cal U that reviews research involving human participants. For information about the IRB, contact the following email address: instreviewboard@calu.edu

Key Personnel

The personnel considered to be of primary importance to the successful conduct of a research project. The term usually applies to the senior members of the project staff. Those coming within the definition are normally identified by name in the research agreement.

Memorandum of Understanding

A funding mechanism used frequently by the Commonwealth of Pennsylvania to enter into agreements with other state agencies.

Notice of Grant Award

The legally binding document that serves as a notification to the recipient and others that a grant of cooperative agreement has been made, contains or references all terms of the award, and documents the obligation of funds.

Principal Investigator

The individual responsible for the conduct of research or other activity described in a proposal for an award.

Prior Approval

The requirement for written documentation of permission to use project funds for purposes not in the approved budget, or to change aspects of the program from those originally planned and approved. Prior approval must be obtained before the performance of the act that requires such approval under the terms of the agreement.

Program Income

Income earned by the recipient that is directly generated by a 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 federally-funded projects, the sale of commodities or items fabricated under an award, license fees and royalties on patents and copyrights, and interest on loans made with award funds.

Progress Report

Periodic, scheduled reports required by the sponsor summarizing research progress to date. Technical, fiscal, and invention reports may be required.

Project Period

The period established in the award document during which time funded activities occur. A project period may consist of one or more budget periods.

Research and Development

All research activities, both basic and applied, and all development activities that are supported at universities, colleges, and other nonprofit institutions.

- Research – A systematic study directed toward fuller scientific knowledge or understanding of the subject studied. Research also includes activities involving the training of individuals in research techniques where such activities utilize the same facilities as other research and development activities and where such activities are not included in the instruction function.
- Development – 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.

Routing Sheet

A Cal U form required for all applications for external funds. The form, which is part of the university review process for proposals, is designed to help Project Directors anticipate budgetary and university requirements associated with external awards. The form requires project director and department chair and college dean signatures before submission to the Office of Sponsored Programs & Research.

Sponsored Projects

Projects funded by agencies or organizations external to the university.

Sub-award, Sub-grant, Sub-agreement or Sub-contract

A document written under the authority of, and consistent with the terms and conditions of, a prime award (grant, contract or cooperative agreement) that transfers a portion of the research or substantive effort of the prime award to another institution or organization.

Sub-recipient

The legal entity to which a sub-award is made and which is accountable to the recipient for the use of the funds provided.

Supplemental Work

Any work assignment related to sponsored projects beyond the employee's regular duties and responsibilities as described in their job description or current contract.

Summer Term

The three-month period between June and August that includes six biweekly pay periods.

Total Project Costs

The total allowable direct and indirect costs incurred by the institution to carry out an approved project or activity.

Unrestricted

Funds having no requirements or restrictions as to use or disposition. Grants, contracts, and cooperative agreements are considered to be restricted funds.