

## MASTER GLOSSARY

### A

#### Allowable Cost

A cost allowable to a project if:

1. the costs are reasonable and necessary for the performance of the award;
2. the costs are allocable to the specific project;
3. the costs are treated consistently in like circumstances to both federally-financed and other activities of the non-federal entity;
4. the costs conform to any limitations of the cost principles or the sponsored agreement;
5. the costs are accorded consistent treatment; a cost may not be assigned to a State or federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the award as an indirect cost;
6. the costs are determined to be in accordance with generally accepted accounting principles;
7. the costs are not included as a cost or used to meet federal cost-sharing or matching requirements of any other program in either the current or prior period;
8. the costs of one State or federal grant are not used to meet the match requirements of another State or federal grant; and
9. the costs are adequately documented.

#### Auditee

Any non-federal entity that expends State or federal awards that must be audited.

#### Auditor

An auditor who is a public accountant or a federal, State, or local government audit organization that meets the general standards specified in generally-accepted government auditing standards. "Auditor" does not include internal auditors of nonprofit organizations.

#### Auditor General

The Auditor General of the State of Illinois.

#### 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 State or federal government to an eligible recipient. "Award" does not include: technical assistance that 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; or contracts that must be entered into and administered under State or federal procurement laws and regulations.

## B

### Budget

The financial plan for the project or program that the awarding agency or pass-through entity approves during the award process or in subsequent amendments to the award. It may include the State or federal and non-federal share or only the State or federal share, as determined by the awarding agency or pass-through entity.

## C

### Catalog of Federal Domestic Assistance or "CFDA"

A database that helps the federal government track all programs it has domestically funded.

### Catalog of Federal Domestic Assistance number or "CFDA number"

The number assigned to a federal program in the CFDA.

### Catalog of State Financial Assistance

The single, authoritative, statewide, comprehensive source document of State financial assistance program information maintained by the Governor's Office of Management and Budget.

### Catalog of State Financial Assistance Number

The number assigned to a State program in the Catalog of State Financial Assistance. The first 3 digits represent the State agency number and the last 4 digits represent the program.

### Cluster of programs

A grouping of closely related programs that share common compliance requirements. The types of clusters of programs are research and development, student financial aid, and other clusters. A "cluster of programs" shall be considered as one program for determining major programs and, with the exception of research and development, whether a program-specific audit may be elected.

### Cognizant agency for audit

The federal agency designated to carry out the responsibilities described in 2 CFR 200.513(a).

### Contract

A legal instrument by which a non-federal entity purchases property or services needed to carry out the project or program under an award. "Contract" does not include a legal instrument, even if the non-federal entity considers it a contract, when the substance of the transaction meets the definition of an award or subaward.

### Contractor

An entity that receives a contract.

### Cooperative Agreement

A legal instrument of financial assistance between an awarding agency or pass-through entity and a non-federal entity that:

1. is used to enter into a relationship with the principal purpose of transferring anything of value from the awarding agency or pass-through entity to the non-federal entity to carry out a public

purpose authorized by law, but is not used to acquire property or services for the awarding agency's or pass-through entity's direct benefit or use; and

2. is distinguished from a grant in that it provides for substantial involvement between the awarding agency or pass-through entity and the non-federal entity in carrying out the activity contemplated by the award.

"Cooperative agreement" does not include a cooperative research and development agreement, nor an agreement that provides only direct cash assistance to an individual, a subsidy, a loan, a loan guarantee, or insurance.

### Corrective action

Action taken by the auditee that (i) corrects identified deficiencies, (ii) produces recommended improvements, or (iii) demonstrates that audit findings are either invalid or do not warrant auditee action.

### Cost objective

A program, function, activity, award, organizational subdivision, contract, or work unit for which cost data is desired and for which provision is made to accumulate and measure the cost of processes, products, jobs, and capital projects. A "cost objective" may be a major function of the non-federal entity, a particular service or project, an award, or an indirect cost activity.

### Cost sharing

The portion of project costs not paid by State or federal funds, unless otherwise authorized by statute.

## D

### Development

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.

### Data Universal Numbering System number

The 9-digit number established and assigned by Dun and Bradstreet, Inc. to uniquely identify entities and, under federal law, is required for non-federal entities to apply for, receive, and report on a federal award.

### Direct Costs

Costs that can be identified specifically with a particular final cost objective, such as a State or federal or federal pass-through award or a particular sponsored project, an instructional activity, or any other institutional activity, or that can be directly assigned to such activities relatively easily with a high degree of accuracy.

### Discretionary Grant

A grant (or cooperative agreement) for which the federal awarding agency generally may select the recipient from among all eligible recipients, may decide to make or not make an award based on the programmatic, technical, or scientific content of an application, and can decide the amount of funding to be awarded.

## E

### Equipment

Tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost that equals or exceeds the lesser of the capitalization level established by the non-federal entity for financial statement purposes, or \$5,000.

### Executive Branch

That branch of State government that is under the jurisdiction of the Governor.

## F

### Federal Agency

Has the meaning provided for "agency" under 5 U.S.C. 551(1) together with the meaning provided for "agency" by 5 U.S.C. 552(f).

### Federal award

Means:

1. the federal financial assistance that a non-federal entity receives directly from a federal awarding agency or indirectly from a pass-through entity;
2. the cost-reimbursement contract under the Federal Acquisition Regulations that a non-federal entity receives directly from a federal awarding agency or indirectly from a pass-through entity;  
or
3. the instrument setting forth the terms and conditions when the instrument is the grant agreement, cooperative agreement, other agreement for assistance covered in paragraph (b) of 20 CFR 200.40, or the cost-reimbursement contract awarded under the Federal Acquisition Regulations.

"Federal award" does not include other contracts that a federal agency uses to buy goods or services from a contractor or a contract to operate federal government owned, contractor-operated facilities.

### Federal awarding agency

The federal agency that provides a federal award directly to a non-federal entity.

### Federal interest

For purposes of 2 CFR 200.329 or when used in connection with the acquisition or improvement of real property, equipment, or supplies under a federal award, the dollar amount that is the product of the federal share of total project costs and current fair market value of the property, improvements, or both, to the extent the costs of acquiring or improving the property were included as project costs.

### Federal program

Any of the following:

1. All federal awards which are assigned a single number in the CFDA.
2. When no CFDA number is assigned, all federal awards to non-federal entities from the same agency made for the same purpose should be combined and considered one program.
3. Notwithstanding paragraphs (1) and (2) of this definition, a cluster of programs. The types of clusters of programs are:
  - a. research and development;

- b. student financial aid; and
- c. "other clusters", as described in the definition of "cluster of programs".

### Federal share

The portion of the total project costs that are paid by federal funds.

### Final cost objective

A cost objective which has allocated to it both direct and indirect costs and, in the non-federal entity's accumulation system, is one of the final accumulation points, such as a particular award, internal project, or other direct activity of a non-federal entity.

### Financial assistance

The following:

1. For grants and cooperative agreements, "financial assistance" means assistance that non-federal entities receive or administer in the form of:
  - a. grants;
  - b. cooperative agreements;
  - c. non-cash contributions or donations of property, including donated surplus property;
  - d. direct appropriations;
  - e. food commodities; and
  - f. other financial assistance, except assistance listed in paragraph (2) of this definition.
2. "Financial assistance" includes assistance that non-federal entities receive or administer in the form of loans, loan guarantees, interest subsidies, and insurance.
3. "Financial assistance" does not include amounts received as reimbursement for services rendered to individuals.

### Fixed amount awards

A type of grant agreement under which the awarding agency or pass-through entity provides a specific level of support without regard to actual costs incurred under the award. "Fixed amount awards" reduce some of the administrative burden and record-keeping requirements for both the non-federal entity and awarding agency or pass-through entity. Accountability is based primarily on performance and results.

### Foreign public entity

Means:

1. a foreign government or foreign governmental entity;
2. a public international organization that is entitled to enjoy privileges, exemptions, and immunities as an international organization under the International Organizations Immunities Act (22 U.S.C. 288-288f);
3. an entity owned, in whole or in part, or controlled by a foreign government; or
4. any other entity consisting wholly or partially of one or more foreign governments or foreign governmental entities.

### Foreign organization

An entity that is:

1. a public or private organization located in a country other than the United States and its territories that are subject to the laws of the country in which it is located, irrespective of the citizenship of project staff or place of performance;
2. a private nongovernmental organization located in a country other than the United States that solicits and receives cash contributions from the general public;
3. a charitable organization located in a country other than the United States that is nonprofit and tax exempt under the laws of its country of domicile and operation, but is not a university,

college, accredited degree-granting institution of education, private foundation, hospital, organization engaged exclusively in research or scientific activities, church, synagogue, mosque, or other similar entity organized primarily for religious purposes; or

4. an organization located in a country other than the United States not recognized as a Foreign Public Entity.

### Formula Grant

Allocations of state, federal and federal pass-through funding to grantees, states, territories, or local units of government determined by distribution formulas in the authorizing legislation and regulations. To receive a formula grant, the entity must meet all the eligibility criteria for the program, which are pre-determined and not open to discretionary funding decisions. Formula grants typically fund activities of a continuing nature and may not be confined to a specific project. Common elements in formulas include population, proportion of population below the poverty line, and other demographic information.

## G

### Generally Accepted Accounting Principles

Has the meaning provided in accounting standards issued by the Government Accounting Standards Board and the Financial Accounting Standards Board.

### Generally Accepted Government Auditing Standards

Generally accepted government auditing standards issued by the Comptroller General of the United States that are applicable to financial audits.

### Grant agreement

A legal instrument of financial assistance between an awarding agency or pass-through entity and a non-federal entity that:

1. is used to enter into a relationship, the principal purpose of which is to transfer anything of value from the awarding agency or pass-through entity to the non-federal entity to carry out a public purpose authorized by law and not to acquire property or services for the awarding agency or pass-through entity's direct benefit or use; and
2. is distinguished from a cooperative agreement in that it does not provide for substantial involvement between the awarding agency or pass-through entity and the non-federal entity in carrying out the activity contemplated by the award.

"Grant agreement" does not include an agreement that provides only direct cash assistance to an individual, a subsidy, a loan, a loan guarantee, or insurance.

### Grant application

A specified form that is completed by a non-federal entity in connection with a request for a specific funding opportunity or a request for financial support of a project or activity.

## H

### Hospital

A facility licensed as a hospital under the law of any state or a facility operated as a hospital by the United States, a state, or a subdivision of a state.

# I

## Illinois Debarred and Suspended List

The list maintained by the Governor's Office of Management and Budget that contains the names of those individuals and entities that are ineligible, either temporarily or permanently, from receiving an award of grant funds from the State.

## Indian tribe (or "federally recognized Indian tribe")

Any Indian tribe, band, nation, or other organized group or community, including any Alaska Native village or regional or village corporation as defined in or established pursuant to the federal Alaska Native Claims Settlement Act (43 U.S.C. 1601, et seq.) that is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians under 25 U.S.C. 450b(e), as set forth in the annually published Bureau of Indian Affairs list of Indian Entities Recognized and Eligible to Receive Services.

## Indirect cost

Those costs incurred for a common or joint purpose benefitting more than one cost objective and not readily assignable to the cost objectives specifically benefitted without effort disproportionate to the results achieved.

## Inspector General

The Office of the Executive Inspector General for Executive branch agencies.

# L

## Loan

A State or federal loan or loan guarantee received or administered by a non-federal entity. "Loan" does not include a "program income" as defined in 2 CFR 200.80.

## Loan guarantee

Any State or federal government guarantee, insurance, or other pledge with respect to the payment of all or a part of the principal or interest on any debt obligation of a non-federal borrower to a non-federal lender, but does not include the insurance of deposits, shares, or other withdrawable accounts in financial institutions.

## Local government

Has the meaning provided for the term "units of local government" under Section 1 of Article VII of the Illinois Constitution and includes school districts.

## M

### Major program

A federal program determined by the auditor to be a major program in accordance with 2 CFR 200.518 or a program identified as a major program by a federal awarding agency or pass-through entity in accordance with 2 CFR 200.503(e).

## N

### Non-federal entity

A state, local government, Indian tribe, institution of higher education, or organization, whether nonprofit or for-profit, that carries out a State or federal award as a recipient or subrecipient.

### Non-profit organization

Any corporation, trust, association, cooperative, or other organization, not including institutions of higher education, that:

1. is operated primarily for scientific, educational, services, charitable, or similar purposes in the public interest;
2. is not organized primarily for profit; and,
3. uses net proceeds to maintain, improve, or expand the operations of the organization.

## O

### Obligations

When used in connection with a non-federal entity's utilization of funds under an award, means orders placed for property and services, contracts and subawards made, and similar transactions during a given period that require payment by the non-federal entity during the same or a future period.

### Office of Management and Budget

The Office of Management and Budget of the Executive Office of the President.

### Other clusters

Has the meaning provided by the federal Office of Management and Budget in the compliance supplement or has the meaning as it is designated by a state for federal awards the state provides to its subrecipients that meet the definition of a cluster of programs. When designating an "other cluster", a state must identify the federal awards included in the cluster and advise the subrecipients of compliance requirements applicable to the cluster.

### Oversight agency for audit

The federal awarding agency that provides the predominant amount of funding directly to a non-federal entity not assigned a cognizant agency for audit. When there is no direct funding, the awarding agency that is the predominant source of pass-through funding must assume the oversight responsibilities. The duties of the oversight agency for audit and the process for any reassignments are described in 2 CFR 200.513(b).



## P

### Pass-through entity

A non-federal entity that provides a subaward to a subrecipient to carry out part of a program.

### Private award

An award from a person or entity other than a State or federal entity. Private awards are not subject to the provisions of this Act.

### Property

Real property or personal property.

### Project cost

Total allowable costs incurred under an award and all required cost sharing and voluntary committed cost sharing, including third-party contributions.

### Public institutions of higher education

Has the meaning provided in Section 1 of the Board of Higher Education Act.

## R

### Recipient

A non-federal entity that receives an award directly from an awarding agency to carry out an activity under a program. "Recipient" does not include subrecipients.

### Research and Development

All research activities, both basic and applied, and all development activities that are performed by non-federal entities.

## S

### Single Audit Act

The federal Single Audit Act Amendments of 1996 (31 U.S.C. 7501-7507).

### State award

The financial assistance that a non-federal entity receives from the State and that is funded with either State funds or federal funds; in the latter case, the State is acting as a pass-through entity.

### State awarding agency

A State agency that provides an award to a non-federal entity.

### State grant-making agency

Has the same meaning as "State awarding agency".

### State interest

The acquisition or improvement of real property, equipment, or supplies under a State award, the dollar amount that is the product of the State share of the total project costs and current fair market value of the property, improvements, or both, to the extent the costs of acquiring or improving the property were included as project costs.

### State program

Any of the following:

1. All State awards which are assigned a single number in the Catalog of State Financial Assistance.
2. When no Catalog of State Financial Assistance number is assigned, all State awards to non-federal entities from the same agency made for the same purpose are considered one program.
3. A cluster of programs as defined in this Section.

### State share

The portion of the total project costs that are paid by State funds.

### State Financial Aid

Federal awards under those programs of general student assistance, such as those authorized by Title IV of the Higher Education Act of 1965, as amended (20 U.S.C. 1070-1099d), that are administered by the United States Department of Education and similar programs provided by other federal agencies. "Student Financial Aid" does not include federal awards under programs that provide fellowships or similar federal awards to students on a competitive basis or for specified studies or research.

### Subaward

A State or federal award provided by a pass-through entity to a subrecipient for the subrecipient to carry out part of a federal award received by the pass-through entity. "Subaward" does not include payments to a contractor or payments to an individual that is a beneficiary of a federal program. A "subaward" may be provided through any form of legal agreement, including an agreement that the pass-through entity considers a contract.

### Subrecipient

A non-federal entity that receives a State or federal subaward from a pass-through entity to carry out part of a federal program. "Subrecipient" does not include an individual that is a beneficiary of such program. A "subrecipient" may also be a recipient of other State or federal awards directly from a State or federal awarding agency.

### Suspension

A post-award action by the State or federal agency or pass-through entity that temporarily withdraws the State or federal agency's or pass-through entity's financial assistance sponsorship under an award, pending corrective action by the recipient or subrecipient or pending a decision to terminate the award.

## U

### Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards

Those rules applicable to grants contained in 2 CFR 200.

## V

### Voluntary committed cost sharing

Cost sharing specifically pledged on a voluntary basis in the proposal's budget or the award on the part of the non-federal entity and that becomes a binding requirement of the award.