

**NUMBER: 670**

**TITLE: SCD Grants and Contracts**

### **APPENDIX A:**

### **DEFINITIONS**

*The authoritative source for definitions can be found in the Federal Uniform Guidance ([2 CFR 200](#)), Washington State [Revised Code of Washington](#) and [Washington Administrative Code](#), and Washington State Board for Community & Technical Colleges [Fiscal Affairs Manual \(FAM\)](#), as applicable. The definitions below provide context to the Seattle Colleges.*

**Catalog of Federal Domestic Assistance (CFDA)**: A government-wide compendium of Federal programs, projects, services, and activities, which provide assistance or benefits to the American public. It contains financial and non-financial assistance programs administered by departments and establishments of the Federal government. CFDA numbers are five digit numbers that are associated with certain Federal programs and outline objectives and use of funds considerations. For all grants with a Federal funding component, the CFDA must be noted on the grant transmittal form, including those that are “passed through” a non-federal entity via Subaward.

**CFDA**: see Catalog of Federal Domestic Assistance.

**Contractor**: “[...] [A]n entity that receives a contract [...]” ([2 CFR § 200.23](#)). A contract is distinct from a Subaward.

**Cost Share**: Also called non-federal Cost Share; see Match or Matching Contributions.

**Deficit**: The expenditures for a grant or contract that exceeds revenue. Typically occurs if program expenditures are underestimated, if there are unanticipated expenditures, or when reimbursements are disallowed.

**Direct Costs**: Costs that can be directly identified with the project (excludes overhead or allocated costs such as Indirect Costs).

**FAPC**: see Financial Aid Program Code.

**Financial Aid Program Code (FAPC)**: A three-digit number normally used to facilitate charging student costs (tuition, fees, etc.) to a specific budget number. Requests for FAPCs must be submitted to Financial Aid and the College Business Office during the initial stages of setting up the budget.

**Financial Reports**: Reports or statements that identify the amounts expended on behalf of a project. Contact the Campus Business Office for current versions and access to financial reports.

**FTE**: see Full-Time Equivalent.

**Full-Time Equivalent (FTE)**: Statistic used by colleges to measure size of student and employee population using a full-time student’s load (15 credits) or full time employee workload as the divisor.

**Grantor:** The entity (e.g., federal, state, or local government agency or other entity external to the Seattle Colleges) that provides anything of value (e.g., funding, equipment, support, or other tangible items such as goods or services) for the Seattle Colleges to carry out the grant (i.e., research, instruction, training, or other sponsored activity).

**Hosting:** Includes, but is not limited to, those activities that are intended either to lobby a legislator or a governmental official, or are to be a social rather than governmental business event, and include expenditures for coffee and/or light refreshments for those whom agencies are not legally authorized to reimburse. Expenditures for Hosting are prohibited by the State of Washington.

**Indemnification Clause:** A grant/contract clause to provide an entity with protection, especially financial protection, against possible loss, damage, or liability. The Seattle Colleges generally does not enter into agreements with indemnification clauses because the State's liability insurance only covers State employees. Grantors will often work with the Campus Business Office to provide substitute language in the grant agreement. Contact your college Grants or Business Offices for assistance.

**Indirect Costs:** Costs incurred by the College and/or District that cannot be identified with a specific project, including costs within functional areas such as general and departmental administration, staff support, operations and maintenance, library and facility expenses, services provided by payroll, purchasing, accounting, business office, cashiers, and human resources, etc. See **Appendix E, Indirect Costs**.

**Invoices/Billings:** The College Business Office or District Accounting Office submit invoices or billings to the grantor or contractor by the date(s) established in the grant or contract. The responsibility for initiating invoice/billing requests is identified on the Budget Request form (edit card).

**Legal Approving Authority:** The individual(s) who have the authority to bind an institution to the terms and/or conditions of an agreement or contract. Legally binding signature authority resides with the College President, District Chancellor, and/or designees.

**Match or Matching Contributions:** Also called Cost Share or non-federal Cost Share. When the college and/or other agency is required to provide in-kind or cash contributions to support a contract in a specified amount or ratio. In-kind contributions constitute a use of previously committed college resources, such as existing personnel, supplies, facilities, etc. Cash contributions require the application of previously uncommitted resources or the re-direction of existing resources to share in the support of a project. Matching contributions must be outlined in the budget. Reports are required at minimum annually and maybe required more frequently, and must be submitted to the College Business Office for submission to the District Office. Any existing personnel used as in-kind contributions to a federal grant must report time and effort. See **Policy 668, Time and Effort Reporting for Federal Grants**.

**Memorandum of Understanding (MOU):** A memorandum of understanding is typically an agreement between two parties that is deemed to be less formal than a contract. An MOU should generally *NOT* be used to embody specific agreements between parties with various duties and responsibilities designated to each. Instead, the parties should enter into a contract that contains the scope of responsibilities, liabilities, fees, rights and duties of each respective party.

**Online Budget & Invoicing System (OBIS)/Online Grant Management System (OGMS):**

SBCTC's primary web portals for invoicing and grant management. OBIS is the portal used to submit budget revisions, reconcile activity, and submit invoices or other reports such as matching or certifications. OGMS is the portal SBCTC uses to make grant announcements, accept applications, and announce awards. Each Seattle Colleges campus has an OBIS/OGMS administrator at the Business Office who can add or delete users' permissions as determined by their role in the grant process.

**Participant Support Costs (PSC):** "[...] [D]irect costs for items such as stipends or subsistence allowances, travel allowances, and registration fees paid to or on behalf of participants or trainees (but not employees) in connection with conferences, or training projects" ([2 CFR § 200.75](#)). See also the National Science Foundation (NSF) [Proposal & Award Policies and Procedures Guide \(PAPPG\)](#).

**Performance Reports:** Also called Progress Reports. Information provided to the grantor or contractor in the format and with the frequency prescribed by the grant or contract. These reports may include narrative and/or data (e.g., outputs, outcomes, budget updates, etc.) demonstrating progress of the grant or contract. The Program Manager is responsible for completing and submitting performance reports.

**Primary Investigator:** see Program Manager.

**Program Income:** "[...] [G]ross income earned by the non-Federal entity that is directly generated by a supported activity or earned as a result of the Federal award during the period of performance. [...] 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 Federal awards, the sale of commodities or items fabricated under a Federal award, license fees and royalties on patents and copyrights, and principal and interest on loans made with Federal award funds" ([2 CFR § 200.80](#)). See [2 CFR § 200.307](#) for acceptable uses of Program Income.

**Program Manager:** Also called Primary Investigator or Project Director. The individual who has the administrative authority and responsibility for the project, budget, expenditures, and progress/performance reports. It is the Program Manager's responsibility to ensure that the project progresses as agreed upon in the contract, that all reports are submitted in accordance with the grantor's or contractor's requirements, that expenditures comply with the conditions of the grant or contract, and that these expenditures do not exceed spending authority.

**Project Director:** see Program Manager.

**Risk Assessment:** The identification and analysis (typically in terms of impact and likelihood) of relevant risks associated with the Subrecipient performing specified activities; the Risk Assessment is used to determine how the pass-through entity should manage the risk

**SBCTC:** Washington State Board for Community & Technical Colleges (SBCTC) is the governing board established by [RCW 28B.50.050](#) that has oversight and responsibility over the community and technical colleges in Washington State. SBCTC disburses State appropriations, specific earmarks, and pass-through federal awards.

**Subaward:** "[...] [A]n award provided by a pass-through entity to a subrecipient for the subrecipient to carry out part of a[n] [...] award received by the pass-through entity. It

does not include payments to a contractor [...]. A subaward may be provided through any form of legal agreement, including an agreement that the pass-through entity considers a contract” ([2 CFR § 200.92](#)).

**Subrecipient:** The entity that receives part of an award through a Subaward.

**Subrecipient Monitoring:** Subrecipient monitoring is the process undertaken by a pass-through entity to ensure that the subrecipient is in compliance with applicable laws, regulations, contract or grant agreement provisions, and that performance goals are achieved. (See **Appendix J, Managing Subawards**).

**Supplanting:** Occurs when funds provided under a grant result in a decrease in state or local funding that would have been available to conduct the activity had the grant/contract funds not been received. Federally-funded grants/contracts may not free up state or local dollars for other purposes, but should create a new program/activities or augment an existing program/activities.

*Example:* A Program Manager is currently working at 100% (full-time); their salary is paid for with state funding. Their department receives a federal grant to create a new program. To carry out the program, the Program Manager is required to complete additional work. However, the Program Manager cannot charge part of their salary to the grant because they are already at 100%, and doing so would be considered supplanting. Comparatively, if the Program Manager was originally at 80% and this grant added 20% to their work load, the additional 20% could be charged to the grant. This split assignment requires “Time and Effort” reporting to document the Program Manager’s time spent on the state budget (80%) and on the federal grant (20%).

**Surplus:** The revenue for a grant or contract that exceeds expenditures. As permitted by the grantor or contractor, surplus funds will be consolidated into the grant and contract reserve account. Requests for specific usage of these funds may be made at the time of the grant application or grant completion via the **Surplus Usage Request Form (Appendix H)**.

**System for Award Management (SAM):** a system of the federal government that is used by the Program Manager to check the debarment and/or registration status of a contractor or subrecipient.

**Time & Effort Reporting:** Refer to [District Policy and Procedures 668](#) (Time and Effort Reporting for Federal Grants), which is consistent with the SBCTC [Time and Effort Reporting Guidelines](#).

**Uniform Guidance (2 CFR 200):** Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, often referred to as Uniform Guidance or Super-Circular.

**Washington State Board for Community and Technical Colleges:** see SBCTC.