APPENDIX A – GLOSSARY

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A B C D E F G H I J K L M N O P Q R S T U V W X Y Z

A-87 (OMB CIRCULAR)
Cost Principles for State, Local and Indian Tribal Governments (05/10/2004)
HTML or PDF (58 pages, 216 KB), Relocated to 2 CFR, Part 225 (18 pages, 362 KB)

A-102 (OMB CIRCULAR)
Uniform Administrative Requirements for Grants and Agreements with State and
Local Governments (“Common Rule”) OMB Circular A-110, Uniform
Administrative Requirements for Grants and Other Agreements with Institutions of
Higher Education, Hospitals and Other Non-Profit Organizations (11/19/1993)
(further amended 09/30/1999, Relocated to 2 CFR, Part 215 (32 pages, 243 KB))

A-133 (OMB CIRCULAR)
Audits of States, Local Governments, and Nonprofit Institutions (March 2011)
http://www.whitehouse.gov/omb/circulars/a133_compliance_supplement_2011

ACQUISITION COST
For federal grants, the acquisition cost of an item of equipment means the net
invoice unit price of the property, including the cost of modifications, delivery,
attachments, accessories, or auxiliary apparatus necessary to make the property
usable for the purpose for which it was acquired. (See definition for Equipment in
this Glossary.)

ADMINISTRATIVE COSTS
Costs of administration are those reasonable, necessary and allowable costs
associated with the overall project management and administration and which
are not directly related to the provision of services to participants. These costs
can be both personnel and non-personnel and both direct and indirect.
Generally, direct administration costs differ from indirect charges in that the latter
are considered organization-wide costs. Examples of administration are salaries,
benefits, and other expenses of staff that perform the following functions:
  • Overall project management, project coordination, and office
    management functions;
  • Preparing project plans, budgets, and related amendments;
  • Monitoring of projects, and related systems and processes;
  • Developing systems and procedures, including management
    information systems, for assuring compliance with project
    requirements;
  • Preparing reports and other documents related to the project
    requirements;
• Evaluating project results against stated objectives; and
• Performing administrative services such as project specific accounting, auditing or legal activities.

Examples of non-labor costs for administration include:
• Costs for goods and services required for administration of the project, including such goods and services as the rental or purchase of equipment, utilities, office supplies, postage, and rental and maintenance of office space; and
• Travel costs incurred for official business in carrying out administrative activities.

ADMINISTRATIVE REQUIREMENTS
Matters common to grants in general, such as financial management, kinds and frequency of reports, and retention of records. These are distinguished from “programmatic requirements,” which are restrictions applied on a program-by-program basis, such as kinds of activities allowable under a grant (34 CFR Part 80).

ADMINISTRATIVE RULES OF MONTANA (ARM)
A compilation of all rules of state departments and attached boards. The Montana Legislature enacted the Montana Administrative Procedure Act. The primary purpose of the act is to make the rules of state agencies readily available to the public and to make them available in a convenient, current and concise form. To implement this purpose, the Secretary of State compiles and publishes all rules filed pursuant to the act in a publication known as the Administrative Rules of Montana, commonly known as ARM. Each state agency is responsible for preparing its portion of the rules in accordance with the prescribed format.

ARM for K-12 education:
http://www.mtrules.org/gateway/Department.asp?DeptNo=10

ADVANCE
Payment of all or a portion of a federal award before the grant expenditures have been incurred. Advances are the opposite of reimbursements, wherein costs incurred by a subgrantee are later repaid by the grantee.

ALLOCATION
In regard to federal programs, the amount of money an entity will be given under a federal grant award.

ALLOWABLE COST
A cost which is appropriately charged to a federal program. To be allowable, a cost must be necessary and reasonable, be allocable (i.e., chargeable in relation to service given) under the federal award, be authorized or not
prohibited by state or local laws, conform to OMB Circular A-87, be consistently treated as are other costs of the entity, be treated in accordance with generally accepted accounting principles, not be used for matching in another program, be net of applicable credits and be properly documented.

**APPLICANT**
A party requesting a grant or subgrant.

**APPLICATION**
A written request for a grant or subgrant.

**APPROVAL**
As it applies to grant applications, requests for changes of authorized representatives, requests for grant amendments, etc., approval is the act of the OPI agreeing with the document and sending written documentation of the agreement to the applicant’s authorized representative.

**AUDIT FINDING**
Deficiencies reported by the auditor in the audit report’s schedule of audit findings and questioned costs.

**AUDIT RESOLUTION**
Corrective action taken by a subgrantee and verified by the grantee in response to a finding of noncompliance or questioned cost listed in a subgrantee’s audit report.

**AUTHORIZED REPRESENTATIVE (AR)**
An agent designated by the Board of Trustees to act on its behalf to make certifications and applications to the OPI on behalf of a school district or other education entity. A person who legally acts on behalf of the subgrantee of federal and state grants. In Montana schools, the AR is usually the District Superintendent or Cooperative Director.

**AVERAGE NUMBER BELONGING (ANB)**
An enrollment number used to establish state funding levels for Montana school districts. The ANB is based on the average of two semi-annual enrollment counts, adjusted for kindergartners and part-time students.

**AVERAGE DAILY ATTENDANCE (ADA)**
Average number of enrolled students who were present on the enrollment count dates used to establish ANB for funding.

**AWARD (FEDERAL)**
Federal financial assistance that nonfederal agencies receive directly from federal agencies or indirectly from pass-through entities. Does not include moneys used for procurement of goods and services under contracts.
AWARDING AGENCY
The federal agency that awards a federal grant. The term is also used to refer to a grantee, such as the OPI, that awards subgrants of federal funds to school districts and other subgrantees.

BOARD OF PUBLIC EDUCATION (BPE)
The Montana Board of Public Education is responsible for establishing and maintaining standards for all public schools and accredited private schools in Montana. There are seven members on the BPE and the governor appoints the members.

BUDGET PERIOD
The award period. The budget period for OPI-administered grants is usually July 1 to June 30, or July 1 to September 30.

CASH MANAGEMENT
Reasonable procedures which must be established for minimizing the time elapsing between the transfer of funds from the U.S. Treasury and disbursements by grantees and subgrantees.

CAPITAL EXPENDITURE
Cost of a fixed asset, including costs of placing the asset in a condition of usefulness. Includes delivery charges, modifications, attachments and accessories which are needed to make an asset useable for the intended purpose. Federal programs require assets having a unit price of $5,000 or more to be considered a capital expenditure.

CAREER AND TECHNICAL EDUCATION
Career and Technical Education is also referred to as State Secondary Vocational Education and Carl Perkins Vocational Technical Education.

CARRYOVER
Unexpended funds from an award may, within statutory limits, be “carried over” and added to the project allocation of the following year.

CATALOG OF FEDERAL DOMESTIC ASSISTANCE
Federal publication listing Catalog of Federal Domestic Assistance (CFDA) number of each federal assistance program. See https://www.cfda.gov/.

CFDA NUMBER
The number assigned to a federal program in the Catalog of Federal Domestic Assistance. Number is in this format: XX.XXX

CFDA numbers for OPI-administered grant programs are listed in Appendix H - List of CFDA Numbers in this handbook.
CODE OF FEDERAL REGULATIONS (CFR)

The Code of Federal Regulations is published periodically by the Director of Federal Regulations. This publication has general applicability and legal affect and contains rules issued by federal agencies to implement federal statutes and government-wide directives from the President (Executive Orders), the Office of Management and Budget and the Treasury Department.

See the CFR online at: http://ecfr.gpoaccess.gov/cgi/t/text/text-idx?c=ecfr&tpl=%2Findex.tpl

COGNIZANT AGENCY

Federal agency assigned by the U.S. Office of Management and Budget to carry out responsibilities to assure that audits of federal assistance are made as required by OMB Circular A-133. The cognizant agency is the federal agency that provides the largest portion of federal financial assistance to a grantee organization.

COMMON ASSURANCES

The legislated requirements, common across several programs, that agencies must abide by as conditions for receipt of federal funds. See Appendix J - Common Assurances in this handbook.

COMMINGLING

Depositing funds in a general account without the ability to identify each specific source of funds used for an expenditure. Commingling of federal funds is generally not allowed.

COMPETITIVE GRANT

May also be called a discretionary grant. A competitive grant is not based on a formula or legislative mandate, and funds are awarded based on an application process created by the OPI in accordance with program regulations.

COMPLIANCE SUPPLEMENT


CONSORTIUM

A group of two or more local education agencies (nonpublic LEAs may be included) or educational service agencies that group together in order to establish, operate or improve local education or prevention programs. A consortium must be represented by a “prime applicant” (i.e., host) which is normally a public school district.
COOPERATIVE
Two or more school districts which join together, in accordance with MCA sections 20-7-451 through 20-7-457, for the purpose of performing any or all education administration services, activities and undertakings that the school district entering into the contract is authorized to perform by law. In accordance with ARM 10.16.3809(1)(a), no more than 23 special education cooperatives may be established.

CORRECTIVE ACTION
Action taken by the audited entity to:
1) correct identified deficiencies;
2) produce recommended improvements; or
3) demonstrate that audit findings are either invalid or do not warrant remedial action.

COST ALLOCATION PLAN
Documentation of identifying, accumulating and distributing allowable costs under grants together with the allocation method used.

COST PRINCIPLES
General policies for allowability of costs charged to federal programs are specified in OMB Circular A-87, A-21 and A-122 for federal programs administered by the OPI. See section 300 Program Costs in this handbook.

DEBARMENT
Action taken by a debarring official to exclude a person, organization, or business from participating in a covered transaction (34 CFR part 80).

DIRECT COST
Cost identifiable to a particular program, and charged to a particular state or federal program award. Direct costs are the opposite of indirect costs.

DISALLOWED COST
A charge to a grant which the program determines is not allowable, in accordance with applicable federal cost principles or conditions of the award. Typically, the federal program will not pay for the disallowed charges, so the charges must be supported by the subgrantee using other nonfederal sources.

DISAPPROVAL
As it applies to grant applications, requests for changes of authorized representatives, requests for grant amendments, etc., approval is the act of the OPI agreeing with the document and sending written documentation of the agreement to the applicant’s authorized representative.
DISCRETIONARY GRANT

May also be called a competitive grant. A competitive grant is not based on a formula or legislative mandate, and funds are awarded based on an application process created by the OPI in accordance with program regulations.

ED

The U.S. Department of Education. Also abbreviated as USEd.

EDGAR

Education Department General Administrative Regulations (Title 34, Code of Federal Regulations (CFR), Parts 74-86 and 97-99, December 2008 edition)
EDGAR is a compilation of the regulations for administering discretionary and formula grants awarded by the U.S. Department of Education.

Contents of EDGAR

Part 74 - Administration of Grants and Agreements With Institutions of Higher Education, Hospitals, and Other Non-profit Organizations
Part 75 - Direct Grant Programs
Part 76 - State-Administered Programs
Part 77 - Definitions that Apply to Department Regulations
Part 79 - Intergovernmental Review of Department of Education Programs and Activities
Part 80 - Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments
Part 81 - General Education Provisions Act-Enforcement
Part 82 - New Restrictions on Lobbying
Part 84 - Governmentwide Requirements for Drug-Free Workplace (Financial Assistance)
Part 85 - Governmentwide Debarment and Suspension (Nonprocurement)
Part 86 – Drug and Alcohol Abuse Prevention
Part 97 – Protection of Human Subjects
Part 98 – Student Rights In Research, Experimental Programs and Testing
Part 99 – Family Educational Rights and Privacy

E-GRANTS

The OPI’s electronic grants management computer system. E-Grants is a web-enabled system used by school districts and other entities to apply for OPI-administered grants, submit grant budgets and programmatic plans, request grant cash, and report expenditures and various reports required by the grant programs. The OPI uses the system to monitor subgrantees’ grant expenditures, make grant payments, and track various grant management processes required by federal grantors. E-Grants is accessible to all Local Education Agencies (LEAs) and other subgrantees via the internet without need for installing any special software or hardware.

http://opi.mt.gov/Finance&Grants/egrants/
ENCUMBRANCES
Obligations for goods ordered but not yet received as of the end of the project period, which is usually June 30 or September 30.

EQUIPMENT
For federal grants, tangible, nonexpendable personal property having a useful life of more than one year and an acquisition cost of $5,000 or more per unit. (See definition of Acquisition Cost in this Glossary.)

ELEMENTARY AND SECONDARY EDUCATION ACT (ESEA)
Elementary and Secondary Education Act of 1965, as reauthorized under the No Child Left Behind Act of 2001. ESEA provides targeted resources to help insure that disadvantaged students have access to a quality public education.

EXCESS COSTS
Under the Individuals with Disabilities Education Act (IDEA) 34 CFR 300.184, excess cost is defined as “those costs that are in excess of the average annual per student expenditure in an LEA during the preceding school year for an elementary or secondary school student, as may be appropriate...” Calculation of excess costs and general requirements can be found under 34 CFR 300.16.

A calculator for determining excess costs:
http://www.northcentralrrc.org/calculators/Excess_Cost_Calc_v1.html

FEDERAL FINANCIAL ASSISTANCE
Assistance provided by a federal agency in the form of grants, loans, cooperative agreements, contracts, loan guarantees, and property. It includes awards received directly from the federal agency or indirectly through other units of state and local governments.

FISCAL YEAR
The state fiscal year is July 1 through June 30. The federal fiscal year is October 1 to September 30.

GENERALLY ACCEPTED AUDITING STANDARDS
Standards promulgated by the Auditing Standards Board for the performance of audits. http://www.aicpa.org/Research/Standards/AuditAttest/Pages/SAS.aspx

GEPA
General Education Provisions Act. See 34 CFR 81 - General Education Provisions Act-Enforcement: http://ecfr.gpoaccess.gov/cgi/t/text/text-idx?c=ecfr;rgn=div5;view=text;node=34%3A1.1.1.1.27;idno=34;sid=48fe120a2048044e20ac161b30f9e20d:cc=ecfr
GRANTEE

The entity to which a grant is awarded and which is accountable for the use of funds provided. The grantee is the entire legal entity, even if only a particular component of the entity is designated in the award document.

GRANT PERIOD

The project or award period. Depending on the type of grant, the grant period for most OPI-administered grants is July 1 to June 30 or July 1 to September 30, unless an extension is requested in writing to the OPI and approved.

INDIRECT COST

A cost which is incurred for a common or joint purpose benefiting more than one cost objective, which is not readily assignable to a specific program being benefited. Indirect costs are charged to various programs and “pooled.”

INDIRECT COST RATE

Percentage approved for recovery from federal programs. The rate for a school district must be approved annually by the OPI. The rate may be charged to approved federal programs by multiplying direct charges by the approved rate. Some programs restrict the rate used in that particular program, which may be lower than the rate approved by the OPI.

http://www opi mt gov/Finance&Grants/SchoolFinance/Index.html#gpm1_12

INDIRECT COST RECOVERY

The amount allowed to be charged to a federal grant based on application of an approved indirect cost rate.

INTERNAL CONTROLS

Processes, established by management and other personnel, designed to provide reasonable assurance regarding the achievement of the following objectives:

1. Transactions are properly recorded and accounted for to:
   a. Permit the preparations of reliable financial statements and federal reports;
   b. Maintain accountability over assets; and
   c. Demonstrate compliance with laws, regulations, and other compliance requirements.

2. Transactions are executed in compliance with:
   a. Laws, regulations and the provisions of contracts or grant agreements;
   b. Any other laws and regulations that are identified in the compliance supplement; and

3. Funds, property, and other assets are safeguarded against loss from unauthorized use or disposition.
JOURNAL VOUCHER (JV)
A transaction made to correct or adjust a previous transaction. When a JV involves more than one fund, the clerk must notify the county treasurer of the adjustment.

LOCAL EDUCATION AGENCY (LEA)
Local education agency (LEA) includes: a) a public school district; b) any other public institution which administers a public elementary or secondary school; and c) as used in 34 CFR 400, 408, 525, 526, and 527 (Vocational Education Programs), any public institution or agency that has administrative control and direction of a vocational education program (34 CFR Part 77).

LOCAL GOVERNMENT
A community, municipality, city, town, township, local public authority (including any public and Indian housing agency under the U.S. Housing Act of 1937), a school district, special district, council of governments, or any other regional or interstate government, or any agency or instrumentality of a local government (34 CFR 80).

MAINTENANCE OF EFFORT (MOE)
For ESEA title programs “Maintenance of Effort” (or “maintenance of fiscal effort”) is required by several grant programs. The purpose of a maintenance of effort requirement is to ensure the subgrantee of federal funds does not spend those funds in place of local dollars. Maintenance of Effort ensures a subgrantee spends local dollars for the same activities that would be provided if federal dollars were not available. Thus, federal programs supplement the normal activities of the entity and do not replace, or supplant, their normal activities.

MAJOR PROGRAM
Federal program determined by the auditor to be a major program in accordance with OMB Circular A-133, §__520 Major Program Determination. The auditor must perform audit procedures to determine whether the auditee has complied with laws, regulations, and the provisions of contracts or grant agreements that could have a direct and material effect on the federal program consistent with the requirements for a major program. (OMB Circular A-133)

MANAGEMENT DECISION
Evaluation by the federal awarding agency or pass-through entity of the audit findings and corrective action plan and the issuance of a written decision as to what corrective action is necessary.

MATCHING
The value of contributions by the entity to support a portion of the project. Many federal programs require a local match.
MONTANA CODES ANNOTATED (MCA)

The MCA is a compilation of existing general and permanent Montana laws, including the statutory text and history. The Code is arranged topically. http://data.opi.mt.gov/bills/mca/..%5Cmca%5Ctoc%5Cindex.htm

NO CHILD LEFT BEHIND ACT (NCLB) of 2001

Public Law 107-110, reauthorized the Elementary and Secondary Act (ESEA) of 1965. The purpose of the Act is to close the achievement gap with accountability, flexibility and choice so that no child is left behind. The NCLB Act can be found at: http://www2.ed.gov/nclb/landing.jhtml

NONPROFIT

As applied to an agency, organization, or institution, means it is owned and operated by one or more corporations or associations whose net earnings do not benefit, and cannot legally benefit, any private shareholder or entity (34 CFR 77). The term generally refers to an organization that is registered as a 501(c)(3) organization under Internal Revenue Code.

NONPUBLIC (see PRIVATE/NONPUBLIC)

OBLIGATION

Orders placed, contracts awarded, and goods and services received but not paid for by June 30 or the end of the project period.

OFFICE OF PUBLIC INSTRUCTION (OPI)

The Montana Office of Public Instruction (OPI) provides services to Montana school-age children and to teachers in approximately 500 school districts. The agency provides technical assistance in planning, accreditation, school curriculum, school finance and school law. The agency also administers a number of federally funded programs and provides a variety of information services. OPI’s website: www.opi.mt.gov

OPI staff members provide assistance to the Superintendent of Public Instruction in performing prescribed duties. Staff responsibilities include:

- Support for the Superintendent’s statutory role with the Board of Public Education, Board of Regents and Land Board;
- The distribution and accounting of state and federal funds provided to a school district;
- Operation support to the OPI; and
- Assistance and information to school districts.

OMB

The United States Office of Management and Budget.

OUTLAY

Cost charged to a federal program.
PASS-THROUGH ENTITY
Nonfederal entity which provides a federal award to a subgrantee.

PRE-AWARD COST
Costs incurred prior to the effective date of the federal subgrant award after receiving written approval from the OPI. Pre-award costs are only allowable if the OPI determines the immediate expenditures are necessary to fulfill the required service or activity under the grant.

PRIME APPLICANT
The prime applicant is the school district that files an application for a grant, receives and manages program funds and ensures funds are audited in accordance with federal requirements.

PRIOR APPROVAL
Documentation evidencing consent prior to incurring specific costs.

PRIVATE (referred to as private/nonpublic)
As applied to an agency, organization, or institution, means that it is not under federal or public supervision or control (34 CFR 77). Federal laws require public schools to provide certain services to private/nonpublic schools in Montana under federal grants. See 200.9 Private/Nonpublic School Participation in Section 200 of this handbook.

PROJECT NUMBER
Number assigned by the OPI to identify a specific state or federal grant project that has been awarded to a legal entity. Number identifies county, legal entity, money type, state fiscal year, and up to five unique identifying numbers or letters that may be used to identify a program. See 100.2 Project Numbers in this handbook.

PROJECT REPORTER CODE
Three-digit code assigned by the district and used to identify the revenue and expenditures of a certain grant project. Each project having a unique project number is separately accounted for using a unique project reporter code.

PROGRAM INCOME
Income generated by a grant-supported activity, or earned as the result of a grant agreement during the grant period. Includes fees for services performed, sale of commodities or use/rental of real or personal property acquired with grant funds. Does not include interest earned on grant funds, rebates, discounts, refunds, etc.
QUESTIONED COST
Cost questioned by an auditor because an audit finding indicates:
1. a possible violation of a law, regulation, contract, grant, or other agreement covering use of federal funds, including use of nonfederal funds used to match federal funds;
2. costs which were not supported by adequate documentation at the time of audit; or
3. costs incurred seem unreasonable to charge to the grant.

REAP-Flex
See Appendix E - REAP-Flex and Transferability.

REALLOCATED (TITLE I)
Districts may apply to the Title I program at the OPI to receive additional funds when the district can demonstrate an extremely high need based on free and reduced-lunch figures. The funds are limited and the available amount varies from year to year. See Appendix E - Title I Reallocations and Comparability Policies.

REIMBURSEMENT
Payment received by a subgrantee for work or services performed or other allowable expenditures already incurred for a grant project.

REQUISITIONS
Formal documentation of purchases requested by staff.

REVENUE
Income from federal, state or local sources. Federal grant money is generally recorded as revenue in the year it is spent.

SCHOOLWIDE PROGRAM
A schoolwide program is a strategy for implementing comprehensive school change under ESEA Title I, Part A. A schoolwide program permits a high poverty school (40 percent or more) to use funds from Title I, Part A and other Federal education program funds and resources with local and state resources to upgrade the entire educational program of the school in order to raise academic achievement for all the students. See Appendix G - Schoolwide Programs.

STATE EDUCATION AGENCY (SEA)
State education agency (SEA), such as the OPI.

SINGLE AUDIT
Audit in accordance with OMB Circular A-133 that covers both the entity’s financial statements and the federal awards.
SUBGRANT
Award of money or property made under a grant by a grantee to an eligible subgrantee. Does not include vendor payments.

SUBGRANTEE
A government, agency or other organization which receives federal financial assistance under a grant award through a state or local government. Does not include an individual who is a beneficiary of the program.

SUPPLEMENT NOT SUPPLANT
Provision of many federal programs which requires the recipient of a grant award to use federal funds only to supplement and, to the extent it is practical, increase the level of funds that would, in the absence of federal funds, be made available from non-federal sources for the education of participating students. See 200.7 Supplement Not Supplant in Section 200 of this handbook.

TERMS OF A GRANT OR SUBGRANT
All requirements of a grant or subgrant, whether in statute, regulations, or the award document.

THIRD PARTY IN-KIND CONTRIBUTIONS
Property or services which benefit a federally supported project or program and which are contributed by non-federal third parties without charge to the grantee.

TRANSFERABILITY OF FUNDS
See Appendix E- REAP-Flex and Transferability.

UNLIQUIDATED OBLIGATIONS
Amount of obligations incurred which have not yet been paid.

UNEXPENDED FUNDS
Amounts of award which are not obligated by the end of the project period. Unexpended funds must be refunded to the OPI at the end of the project period.

UNOBLIGATED BALANCE
The portion of the award which has not been obligated by the grantee or subgrantee. Determined by subtracting the cumulative obligations from the funds authorized by the award.

UNITED STATES CODE (U.S.C.)
United States Code, federal law.
USED
U.S. Department of Education, also abbreviated as USEd or ED.

WAIVER
Approval by a grantor to allow the subgrantee to avoid an action that would otherwise be required or to allow an action that would otherwise be denied. Waivers under grants administered by the OPI are most often related to carryover limitations under ESEA programs, which allow the OPI to approve a subgrantee’s request every three years to waive the percentage limitation on carryover if the request is deemed reasonable and necessary or if supplemental appropriations become available.