



Department of Veterans Affairs

Financial Policy

Volume X

Grants Management

Chapter 1

General Grants Policy

Approved:

A handwritten signature in black ink, reading "Edward J. Murray", is written over a horizontal line.

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And Interim Chief Financial Officer

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Date

VA Financial Policies and Procedures
General Grants Policy

0101 OVERVIEW	2
0102 POLICIES	2
0103 AUTHORITIES AND REFERENCES.....	5
0104 ROLES AND RESPONSIBILITIES.....	7
0105 ETHICS	8
0106 PROCEDURES	9
0107 DEFINITIONS.....	9
0108 RESCISSIONS.....	44
0109 QUESTIONS	44
0110 REVISIONS.....	44
APPENDIX A: GRANTS POLICY WORKFLOW	46

0101 OVERVIEW

The Assistant Secretary for Management/Chief Financial Officer (CFO) oversees all financial management activities relating to the Department's programs and operations, as required by the Chief Financial Officers Act of 1990 and 38 U.S.C. 309, Veterans Benefits. Specific responsibilities include the direction, management, and provision of policy guidance and oversight of VA's financial management personnel, activities and operations. The CFO establishes financial policy, systems and operating procedures for all VA financial entities, and provides guidance on all aspects of financial management. These responsibilities and are outlined in VA Financial and Accounting Policy Overview Volume I – Chapter 1. VA's Grants Policy Chapters (GPC(s)) are included in this responsibility, and reside in Volume X.

Grants Management Services (GMS) develops VA GPCs, and ensures the policies and procedures are current and useful for their intended audience, and the overall financial and grant functions. This chapter is the first of several chapters that establishes the Department of Veterans Affairs (VA) policy regarding the means by which GMS issues and manages VA grants policy. This chapter establishes the purpose, characteristics, and responsibilities for the GPCs; specifies review and approval requirements for policies and procedures that implement or supplement issuances by GMS; and includes a list of references to key requirements that apply to VA grants administration.

0102 POLICIES

010201 The VA CFO will ensure grants policy is updated as required when there are changes to laws, regulations, standards, or other authoritative guidance, or when new requirements dictate. This includes guidance promulgated through the United States Code (U.S.C.); Code of Federal Regulations (C.F.R.); Office of Management and Budget (OMB) circulars, bulletins, and memoranda; Department of the Treasury (Treasury) guidance, and applicable VA policy. GMS, as an agent of the CFO, will maintain and update VA grants policy.

Purpose and Scope of Policies.

Purpose. This chapter outlines the means by which GMS issues and manages VA grants policy. It describes the purpose, characteristics, and responsibilities for the GPCs; specifies review and approval requirements for policies and procedures that implement or supplement issuances by GMS; and includes a list of references to key requirements that apply to VA grants administration.

Scope. This chapter applies to all VA grant programs and awards. Where policies differ for mandatory grants and discretionary grants, the policy will so indicate.

010202 VA Grants Policy Issuance.

A. GMS uses a single method for issuing final grants policy. Each policy is issued within VA and, for the purposes of consistency and transparency, is also available to the public. GMS may provide supplementary materials, guidance, or training; however, the GPCs are the primary source for grants policy.

B. GPCs may be supplemented by interim memos when there is not adequate time to develop or update a GPC, or the nature of the requirement does not warrant coverage in a GPC (for example, temporary requirements). Interim memos are intended to be short-term or interim policy guidance, as either the requirement itself is time-limited, or the requirement will be incorporated into a GPC during the next update. Interim memos may be signed by the director GMS if the affected program offices approve.

C. Upon issuance of an individual GPC, a single copy of the chapter will be forwarded by e-mail to the Grants Review Board members and the Grants Leadership Council. Concurrent with the e-mail distribution, the GPC with accompanying transmittals is posted in [Volume X](#) on the [Financial Policy Volumes](#) website.

D. Administrations must have a system in place for providing GPCs to their staff following issuance.

010203 Grants Process Manuals.

A. GPCs are not intended to be used alone. Rather, they require more detailed implementation in the form of a Grants Process Manual (GPM).

B. Each office has flexibility in developing operating procedures (hereinafter known as a GPM) to implement the Department-wide policies issued as GPCs. Grant Program offices may have GPMs, but may call them Handbooks, Program Guides, or another programmatic name depending on the VA grant program office. Each office should develop GPMs that provide adequate guidance regarding the steps to be taken, internal controls to be in place, and systems to be used to manage grants and develop grants programs.

010204 Responsibilities for VA Grants Policy Development and Issuance.

A. Several organizations and formally constituted bodies have responsibilities for VA grants policy development.

- (1) GMS is organizationally responsible for VA-wide grants policy matters.
- (2) Representation from each office with responsibility for issuing or managing grants from a programmatic standpoint constitutes the Grants Review Board (GRB). This management-level body serves as a forum for information sharing and, discussion of policy matters related to VA grants policy, and when necessary, attempts to resolve conflicts related to those policies
- (3) The Chief Financial Officer (CFO) of each administrative office must have a representative that serves on the Financial Policy Working Group (FPWG) and

Financial Policy Steering Committee (FPSC), which act as the Grants Leadership Council. This management-level body serves as a review and advisory panel for grants policy as policy is considered, created, and revised. Additionally, this group may seek to resolve conflicts related to VA grants policy should other avenues not resolve the conflict.

010205 Organization, Numbering, and Distribution of GPCs.

In general, GPCs follow the organization of the 2 C.F.R. Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and its VA implementation; 38 C.F.R. Part 49. Policy presented in this manner closely mirrors the life cycle of the grants process and provides staff with consistency in the arrangement of grants policies. Specifically, GPCs are arranged in the following major divisions or Parts, with Sections also generally following OMB sequencing:

- (1) General
- (2) Program Development
- (3) Application Process
- (4) Application Review and Award
- (5) Post-Award
- (6) After-the-Grant
- (7) Audit Use and Resolutions

010206 Processes for Developing and Issuing a GPC.

A. Primary responsibility for the development and maintenance of a GPC is assigned to GMS.

B. On a periodic basis, consistent with known changes in government-wide or VA requirements, GMS will undertake a review of all GPCs that are in effect to ensure that they are current, and continue to reflect departmental grants management policies and priorities.

C. The need for a new GPC may be identified by GMS, a VA grants office, or the Grants Review Board.

D. GMS will use the following process to draft and obtain appropriate input on a planned/updated GPC:

- (1) GMS will initiate a concept paper or email outlining the need for a GPC or changes to a GPC, its proposed coverage, and approach for office review and comment. The concept paper will be sent to the Grants Review Board representatives, as well as to VA Grants Subject Matter Experts (SME), VHA, VBA, NCA, and Staff Offices, as appropriate. Offices are encouraged to broadly disseminate concept papers to grants operational staff within grants offices for review and comment. Obtaining broadly based comments during the initial stages of grants policy development

facilitates policy consensus, thus reducing time spent in re-work and conflict resolution.

- (2) GMS will review the responses it receives on the concept paper, and determine whether there are substantive differences of opinion between or among offices that need to be discussed in advance of drafting the GPC. The Grants Review Board will serve as the forum for discussion of varying positions. GMS will attempt, to the extent feasible, to reconcile positions that continue to differ; however, GMS retains the final authority to proceed with GPC drafting and issuance.
- (3) Upon preparation of a final draft, the revised draft chapter is sent to the Office of Financial Policy (OFP) for review. GMS has the responsibility to address OFP comments prior to submitting the updated draft to the FPWG. Once the FPWG has reviewed the draft and resolved any issues or comments, the accepted and approved final draft will be disseminated to FPSC for review, comments, acceptance, and approval. FPWG and FPSC are comprised of representatives from VA staff offices and the VA Administrations with the authority to vote on chapters prior to being signed by the CFO. Refer to Appendix A, Grants Policy Workflow.
- (4) The FPSC members have the responsibility to review, vote, and ensure the readiness of the policy for publication. OFP management will submit the approved final chapter to the CFO for issuance.
- (5) Once finalized, a GPC (whether new or updated) will be issued by means of a memo signed by the CFO. The memo will indicate any GPC superseded (in the event of an update), as well as any other information needed for implementation.
- (6) GPCs are immediately effective upon issuance by GMS (that is, the date of signature by the CFO as shown on the memo). Advance notification to offices concerning impending issuance of a GPC will be provided, as necessary, if the subject matter or complexity will require substantial preparation for effective implementation.

0103 AUTHORITIES AND REFERENCES

The following references appear throughout various Chapters of Volume X of the Financial Policy document.

[2 C.F.R. Part 170, Reporting Subaward and Executive Compensation Information](#)

[2 C.F.R. Part 175, Trafficking in Persons](#)

[2 C.F.R. Part 180, OMB Guidelines to Agencies on Government-wide Debarment and Suspension](#)

[2 C.F.R. Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards](#)

[2 C.F.R. Part 801, Government-wide Debarment and Suspension \(Nonprocurement\)](#)

[5 C.F.R. Part 2635, Standards of Ethical Conduct for Employees of the Executive Branch](#)

[13 C.F.R. Part 121, Small Business Size Regulations](#)

[18 U.S.C. 208: Act Affecting a Personal Financial Interest](#)

[31 U.S.C. 6306 Vest Title to Tangible Personal Property](#)

[37 C.F.R. Part 401 Department of Commerce Regulations on Inventions and Patents](#)

[38 C.F.R. 1.910-1.929 Standards for the Collection of Claims](#)

[38 C.F.R. Part 16, Protection of Human Subjects](#)

[38 C.F.R. Part 18, Nondiscrimination in Federally Assisted Programs of the Department of Veterans Affairs—Effectuation of Title VI of the Civil Rights Act of 1964](#)

[38 C.F.R. Part 23, Nondiscrimination on the Basis of Sex in Education Programs or Activities Receiving Federal Financial Assistance](#)

[38 C.F.R. Part 26, Environmental Effects of the Department of Veterans Affairs Actions](#)

[38 C.F.R. Part 40, Intergovernmental Review of Department of Veterans Affairs Programs and Activities](#)

[38 C.F.R. Part 41, Audits of States, Local Governments, and Non-Profit Organizations](#)

[38 C.F.R. Part 42, Standards Implementing the Program Fraud Civil Remedies Act](#)

[38 C.F.R. Part 49, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards](#)

[48 U.S.C. 1469a \(d\), under grants to the governments of American Samoa, Guam, the Virgin Islands, or the Northern Mariana Islands](#)

[Chief Financial Officers Act of 1990](#)

[Executive Order 12372, Intergovernmental Review of Federal Programs](#)

[Executive Order 12549, Debarment and Suspension](#)

[Federal Acquisitions Regulation \(FAR\) 31.205-32 Precontract Cost](#)

[Federal Advisory Committee Act \(FACA\), 5 U.S.C. Appendix 2](#)

[Federal Audit Clearinghouse](#)

[Federal Financial Assistance Management Improvement Act \(FFMIA\) of 1999 \(Public Law 106-107\)](#)

[The Federal Grant and Cooperative Agreement Act \(Act\) of 1977 \(31 U.S.C. 6301-08\)](#)

[Federal Funding Accountability and Transparency Act \(FFATA\)](#)

[The Freedom of Information Act, 5 U.S.C. 552](#)

[National Environmental Policy Act \(NEPA\)](#)

[National Historic Preservation Act](#)

[Office of Federal Financial Management \(OFFM\) Policy Directive on Financial Assistance Standard Program Announcements](#)

[OFFM Policy Directive on Use of Grants.Gov FIND](#)

[OFFM Policy Directive on Financial Assistance Standard Program Announcements](#)

[OMB Grants Policy Statements](#)

[Privacy Act of 1974, 5 U.S.C. 552a](#)

[SF-425 Federal Financial Status Report](#)

[Single Audit Act of 1984, 31 U.S.C. 7501](#)

[Title 17 U.S.C, Copyrights](#)

[Title 43 U.S.C. § 1601](#)

[VA Office of Financial Policy, Publications Library](#)

0104 ROLES AND RESPONSIBILITIES

010401 The Assistant Secretary for Management and CFO oversees all financial management activities relating to the Department's programs and operations as required by the Chief Financial Officers Act of 1990 and 38 U.S.C. 309, Veterans Benefits. Responsibilities include the direction, management and provision of policy guidance, and oversight of VA's financial management personnel, activities and operations. The CFO establishes financial policy, systems and operating procedures for all VA financial entities, and provides guidance on all aspects of financial management.

010402 Under Secretaries, Assistant Secretaries, and other key officials are responsible for ensuring compliance with the policies and procedures set forth in Volume X of VA Financial Policies.

010403 The Office of Budget (Budget) is responsible for providing guidance and support to the Department's Administrations and staff offices (e.g., Office of Information Technology and Office of Acquisition, Logistics, and Construction) on matters relating to budget formulation and execution.

010404 The Office of Finance, Office of Financial Policy (OFP) is responsible for developing, coordinating, reviewing, evaluating, and issuing VA financial policies, including those that impact financial systems and procedures, in compliance with all financial laws and regulations. The GMS within OFP is specifically responsible for developing, coordinating, and issuing grants policy.

010405 The head of a GPO has the primary responsibility for the business and other non-programmatic areas of grant award and administration for one or more grant programs. It is its responsibility to ensure Federal compliance with applicable statutory, regulatory, and administrative policy requirements. The GPO head ensures that guidance and Notices of Funding Availability (NOFA) follow appropriate templates, include correct administrative and national policy requirements, and comply with OMB and VA regulations. The GPO head has additional responsibilities as laid out in individual grants policy chapters.

010406 Grants Management Staff (Program Managers) is responsible for the day-to-day management of grants programs. This includes ensuring that for grants under their cognizance, both Federal staff and grantees fulfill applicable statutory, regulatory, and administrative policy requirements. They are also responsible for business, completeness, responsiveness, and budget (for allocability--compliance with cost principles) reviews of applications. The GPO staff has additional responsibilities as laid out in individual grants policy chapters.

010407 The Signing Official signs the Notice of Grant Award, committing funds on behalf of the government. This person may vary based upon the authorizing statute or regulation. The signature signifies that he or she has determined the notice is complete, and its issuance complies with all applicable laws, regulations, and other requirements.

010408 Additional chapter-specific roles may exist in other Grants policy chapters.

0105 ETHICS

010501 The [Office of Government Ethics](#) has published the Standards of Ethical Conduct for Employees of the Executive Branch (5 C.F.R. Part 2635), which document

fourteen basic principles of ethical conduct. It is the responsibility of each individual in the grants management community to adhere to these standards.

0106 PROCEDURES

None.

0107 DEFINITIONS

010701 Purpose and Scope. This GPC provides definitions of terms commonly used in the management of VA financial assistance programs and the award and administration of VA grants and cooperative agreements. It also provides abbreviations, including acronyms, frequently encountered in grants management.

This GPC is not intended to be an all-inclusive listing, but provides grants management staff and program administrators, as well as other departmental staff, with a single reference source for many of the definitions and abbreviations applicable to grants management.

Most of the definitions in this GPC are based on, or are consistent with, definitions in OMB issuances pertinent to grants (as implemented by VA). Regardless of their source, some definitions have been modified to reflect common usage within VA. Where usage is VA-specific, that will be stated. If a definition in this GPC chapter varies from that found in a statute or regulation, the statutory or regulatory definition will be controlling.

010702 Definitions (2 CFR Part 200).

Accrual Basis. An accounting method in which 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. Accrual basis is distinguished from cash basis.

Acquisition Cost. The cost of an asset, including the cost to ready the asset for its intended use. Acquisition cost 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. Acquisition costs for software include those development costs capitalized in accordance with Generally Accepted Accounting Principles (GAAP). Ancillary charges such as taxes, duty, protective in-transit insurance, freight, and installation may be included in or excluded from the acquisition cost in accordance with the non-Federal entity's accounting practices.

Addition Alternative. A use of program income earned during or after the project period that permits the income to be added to the funds committed to the project or program by the grants office and the recipient, and used to further eligible project or

program objectives (see also “Deduction Alternative” and “Cost Sharing or Matching Alternative”).

Advance Payment. A payment that a Federal awarding agency or pass-through entity makes by any appropriate payment mechanism, including a pre-determined payment schedule, before the non-Federal entity disburses the funds for program purposes.

Allocation. The process of assigning a cost, or a group of costs, to one or more cost objective(s), in reasonable proportion to the benefit provided or other equitable relationship. The process may entail assigning a cost(s) directly to a final cost objective or through one or more intermediate cost objectives.

Allocable Cost. A cost that is allocable to a particular cost objective (that is, a specific function, grant project, service, department, or other activity) in accordance with the relative benefits received. A cost is allocable to a Federal award where it is treated consistently with other costs incurred for the same purpose in like circumstances if the cost meets any of the following criteria:

- (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; and
- (3) is necessary to the overall operation of the organization.

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 Award (NoA) as to type or amount of cost;
- (4) Consistent with regulations, policies and procedures of the recipient that apply uniformly to both Federally supported and other activities of the organization;
- (5) Accorded consistent treatment as a direct or indirect cost;
- (6) Determined in accordance with GAAP; and
- (7) Not included as a cost in any other Federally supported award (unless specifically authorized by statute).

Alteration and Renovation. Work that changes the interior arrangements or other physical characteristics of an existing facility or installed equipment so that it can be more effectively used for its currently designated purpose, or adapted to an alternative use to meet a programmatic requirement.

Alternative Dispute Resolution. A process whereby mediation or other techniques are used to avoid or resolve disputes in lieu of more formal techniques or judicial resolution.

Amended (Revised) Application. An unfunded application that the applicant has modified following objective review and has resubmitted for a subsequent review cycle. For purposes of the SF424, this type of application is termed a “resubmission.”

Amount Received for Trade-In. The amount that would have been paid for 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.

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

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

Apportionment. The process whereby OMB divides the total available appropriation into segments, usually quarterly, and makes 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. This can include both mandatory and discretionary grant program authority.

Approval List. A final list of recommended applicants for award in a competitive grant program, which details grant applications in order of their approval for funding.

Approved Budget. The financial expenditure plan for a grant-supported project, program, or activity, including revisions approved by the grants office and permissible revisions made by the recipient. The approved budget consists of Federal funds and, if required by the terms and conditions of the award, non-Federal participation (in the form of matching or cost sharing).

Approved Project/Activities. Those activities specified or described in a grant application, plan, or other document that are approved by a grants office for funding, or changes that may be made by the recipient under an expanded authority or proposed by the recipient (when VA prior approval is required), and subsequently approved official action.

Approving Official. The individual with the delegated authority to make funding decisions for a given program.

Assurance Statement. A written statement by an organization, either on a project or organization-wide basis, as determined by the governing requirement, indicating that

the entity is in compliance with or will abide by a particular requirement if a grant is awarded.

Audit Finding. Deficiencies which the auditor is required by 2 CFR 200.516 Audit Findings, paragraph (a), to report in the schedule of findings and questioned costs.

Auditee. Any non-Federal entity that expends Federal awards which must be audited under Subpart F – Audit Requirements of 2 CFR Part 200.

Auditor. An auditor who is a public accountant or a Federal, state or local government organization, which meets the Generally Accepted Government Auditing Standards (GAGAS). The term auditor does not include internal auditors of non-profit organizations.

Audit Resolution. The process of utilizing Corrective Action Plans (CAP) in order to resolve audit findings, including those related to management and systems deficiencies and monetary findings (that is, questioned costs).

Authorizing Statute. The statute that provides the authority to establish a Federal financial assistance program or particular award, for example, an earmark, and, either in general or specific terms, provides programmatic requirements, such as eligibility and allowable activities.

Authorized Organizational Representative. The individual(s), named by the applicant/recipient organization, who is authorized to act for the applicant/recipient and to assume the obligations imposed by the Federal laws, regulations, requirements, and conditions that apply to grant applications or awards. This individual has signing authority as defined in the roles and responsibilities subsection (010407).

Award. The document that provides grant funds to a recipient to carry out an approved program or project (based on an approved application or performance/progress report). The term, when used as a noun, is sometimes used interchangeably with “grant.”

Award File. The official file for each grant, maintained by the grants management office, that contains all significant documents and correspondence related to the award. This also is known as the “grant file.”

Awarding Office. The grants office organizational component responsible for the business management and non-programmatic aspects of the award and administration of grants.

Block Grant. A type of mandatory grant where the recipients (normally States) have substantial discretion over the type of activities to support, with minimal Federal administrative requirements or restrictions.

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

Budget Periods. The intervals of time (usually 12 months) into which a project period is divided for budgetary and funding purposes. Funding of individual budget periods sometimes is referred to as “incremental funding.”

Capital Assets. Tangible or intangible assets used in operations having a useful life of more than one year which are capitalized in accordance with GAAP. Capital assets include:

- (a) Land, buildings (facilities), equipment, and intellectual property (including software) whether acquired by purchase, construction, manufacture, lease-purchase, exchange, or through capital leases; and
- (b) Additions, improvements, modifications, replacements, rearrangements, reinstallations, renovations, or alterations to buildings or equipment that materially increase the value or useful life (not ordinary repairs and maintenance).

Capital Expenditures. Expenditures to acquire capital assets or expenditures to make additions, improvements, modifications, replacements, rearrangements, reinstallations, renovations, or alterations to capital assets that materially increase their value or useful life.

Carryover. Unobligated Federal funds remaining at the end of any budget period that, with the approval of the GMO or under an expanded authority, may be carried forward to another budget period to cover allowable costs of that budget period (whether as an offset or additional authorization). Obligated, but unliquidated funds are not considered carryover; these funds are referred to as undelivered orders, or UDOs.

Cash Basis. An accounting method in which revenues and expenses are recorded on the books of an account when received and paid, respectively, without regard to the period in which they are earned or incurred. Cash basis is distinguished from accrual basis.

Catalog of Federal Domestic Assistance (CFDA). A government-wide compendium published by the General Services Administration (GSA) (available on-line in searchable format as well as in printable format as a .pdf file) that describes domestic assistance programs administered by the Federal government.

CFDA Number. The number assigned to a Federal program in the CFDA.

CFDA Program Title. The title of the program under which the Federal award was funded in the CFDA.

Central Contractor Registration (CCR). The primary business information database for those doing business with the Federal government.

Central Service Cost Allocation Plan. The documentation identifying, accumulating, and allocating or developing billing rates based on the allowable costs of services provided by a state, local government, or Indian tribe on a centralized basis to its departments and agencies. The costs of these services may be allocated or billed to users.

Change in Scope. An activity whereby the objectives or specific aims identified in the approved grant application are significantly changed by the recipient after award. This does not include economic issues that increase or decrease the amount of award.

Change of Principal Investigator/Project Director. An activity, usually initiated by a recipient, whereby the Federally approved project director is replaced by another individual with the approval of the grants office.

Change of Recipient. A process, also referred to as “change of grantee,” used to transfer the legal and administrative responsibility for a grant-supported project or program from one legal entity to another, before the ending date of the approved project period for the grant being transferred.

Claim. Depending on the context, either:

(a) A written demand or written assertion by one of the parties to a Federal award seeking as a matter of right:

- (1) The payment of money in a sum certain;
- (2) The adjustment or interpretation of award terms; or
- (3) Other relief arising under or relating to a Federal award.

(b) A request for payment that is not in dispute when submitted.

Class of Federal Awards. A group of Federal awards either awarded under a specific program or group of programs, or to a specific type of non-Federal entity or group of non-Federal entities to which specific provisions or exceptions may apply.

Closed-Ended Entitlement Grant. A type of mandatory grant where the award amount constitutes an upper limit on the amount of funds the Federal government may pay for allowable programmatic activities. (See also “Open-ended Entitlement Grant.”)

Closeout. The process by which the Federal awarding agency or pass-through entity determines that all applicable administrative actions and all required work of the Federal

award have been completed, and takes actions as described in 2 CFR 200.343 Closeout.

Cluster of Programs. A grouping of closely related programs that share common compliance requirements. The types of clusters of programs are research and development (R&D), student financial aid (SFA), and other clusters. "Other clusters" are as defined by OMB in the compliance supplement or as designated by a state for Federal awards the state provides to its sub-recipients 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 sub-recipients of compliance requirements applicable to the cluster, consistent with 2 CFR Part 200.331, Requirements For Pass-Through entities, paragraph (a). A cluster of programs must be considered as one program for determining major programs, as described in 2 CFR Part 200.518 Major Program Determination, and, with the exception of R&D as described in 2 CFR Part 200.501 Audit Requirements, paragraph (c), whether a program-specific audit may be elected.

Code of Federal Regulations (CFR). The codified regulations of the Federal government based on the final agency regulations published in the *Federal Register*.

Co-Funding. An agreement by two or more grants offices to jointly participate in the support of a financial assistance award for which each participating agency has the required authorizing legislation.

Cognizant Agency for Audit. The Federal agency designated to carry out the responsibilities described in 2 CFR Part 200.513 Responsibilities, paragraph (a). The cognizant agency for audit is not necessarily the same as the cognizant agency for indirect costs. A list of cognizant agencies for audit may be found at the FAC website. This agency is responsible managing for Federal audits as necessary and resolving cross-cutting audit findings. The cognizant agency responsibility is listed under 2 CFR Part 200.19. For the purposes of VA management of Single Audits, the Inspector General's Office is responsible for managing relevant audits and delegating responsibilities, as necessary.

Cognizant Agency for Indirect Costs. The Federal agency responsible for reviewing, negotiating, and approving cost allocation plans or indirect cost proposals developed under this Part on behalf of all Federal agencies. The cognizant agency for indirect costs is not necessarily the same as the cognizant agency for audits. For assignments of cognizant agencies see the following:

- (a) For Institutions of Higher Education (IHE): Appendix III to 2 CFR Part 200- Indirect (F&A) Costs Identification and Assignment, and Rate Determination For IHEs, section C.10.

- (b) For nonprofit organizations Appendix IV to 2 CFR Part 200 - Indirect (F&A) Costs Identification And Assignment, And Rate Determination For Nonprofit Organizations, section C.1.
- (c) For state and local governments: Appendix V to 2 CFR Part 200 - State/Local Government And Indian Tribe - Wide Central Service Cost Allocation Plans, section F.1.

Commercial or For-Profit Organization. An organization, institution, corporation, or other legal entity, including, but not limited to, partnerships, sole proprietorships, and limited liability companies, that is organized or operated for the profit or benefit of its shareholders or other owners.

Competing Continuation Application/Award. A request for, or award that provides funds for additional project-related activities and extends for one or more additional budget periods (new competitive segment) a project period that would otherwise expire. For purposes of the SF 424, this type of application is termed a “renewal.” Competing continuation applications compete with new applications for funds.

Competitive Segment. The initial project period recommended for support (up to 5 years) or each extension of a project period, comprised of one or more additional budget periods, resulting from a competing continuation award.

Competition. A process normally followed under discretionary grant programs whereby applications undergo objective review, and are evaluated against established review criteria and scored and ranked.

Completion Date. The date on which all work under an award is completed or the date in the NoA, including any amendment thereto, on which Federal sponsorship ends (that is, the end of the period of performance).

Compliance Supplement. Appendix XI - Compliance Supplement of 2 CFR Part 200 (previously known as the Circular A-133 Compliance Supplement). This document is available from the Government Printing Office, Superintendent of Documents, Washington, DC 20402-9325, or on the OMB website at https://www.whitehouse.gov/omb/circulars_default/.

Computing Devices. Machines used to acquire, store, analyze, process, and publish data and other information electronically, including accessories (or “peripherals”) for printing, transmitting and receiving, or storing electronic information. See also 2 CFR Part 200.58 Information Technology Systems and 2 CFR Part 200.94 Supplies.

Conference (Domestic and International). A symposium, seminar, workshop, or any other organized and formal meeting, whether conducted face-to-face or via the Internet, where individuals assemble (or meet virtually) to exchange information and views, or

explore or clarify a defined subject, problem, or area of knowledge, whether or not a published report results from such meeting.

Conference Grant. A grant whose purpose is to support activities related to the conduct of a conference(s) or defined set of conference-related activities.

Conflict of Interest. Any action which would affect, or could appear to affect, an individual's financial interest, or would cause the individual's impartiality to be questioned. Conflicts of interest (actual or potential) may arise in the objective review process or in other activities or phases of the financial assistance process. Additionally, the existence of a significant financial interest of an investigator (and his/her spouse and dependent children) that would reasonably appear to be affected by the research for which funding is sought from a grants office and in entities whose financial interests would reasonably appear to be affected by the research. A significant financial interest is anything of monetary value, including but not limited to: salary or other payments for services, such as consulting fees or honoraria; equity interests, such as stocks, stock options or other ownership interests; and intellectual property rights, such as patents, copyrights, and royalties from such rights .

Consortium Agreement. A formal agreement whereby a project is carried out by a recipient and one or more other organizations that are separate legal entities. Under the agreement, the recipient must perform a substantive role in the conduct of the planned project or program activity, and not merely serve as a conduit of funds to another party or parties. The relationship between the recipient and the collaborating organizations is considered a subaward relationship.

Construction. Construction of a new building or capitalizable improvements to an existing building, including the installation of fixed equipment, but excluding the purchase of land and ancillary improvements, for example, parking lots or roads.

Construction Management Contract. A contract under which an owner contracts for a guaranteed maximum price (fixed price) for technical consultation during the design stage of a facility construction (including modernization) project, and for organization and direction of construction activities during the construction phase.

Consultant. An individual who provides professional advice or services for a fee, but normally not as an employee of the engaging party. The term "consultant" also includes a firm that provides paid professional advice or services.

Contract. A legal instrument by which a non-Federal entity purchases property or services needed to carry out the project or program under a Federal award. The term as used in this part 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 a Federal award or subaward (see 2 CFR Part 200.92 Subaward).

Contractor. An entity that receives a contract as defined in the definition of Contract.

Cooperative Agreement. A legal instrument of financial assistance between a Federal awarding agency or a pass-through entity and recipient non-Federal entity, that is consistent with 31 U.S.C. § § 6302 – 6305 as follows:

(a) Is used to enter into a relationship in which the principal purpose is to transfer anything of value from the Federal awarding agency or pass-through entity, to the non-Federal entity to carry out a public purpose authorized by a law of the United States (see 31 U.S.C. § 6101(3)); and not to acquire property or services for the Federal government or pass-through entity's direct benefit or use;

(b) Is distinguished from a grant in that it provides for substantial involvement between the Federal awarding agency or pass-through entity, and the non-Federal entity, in carrying out the activity contemplated by the Federal award; and

(c) The term does not include: (1) A cooperative R&D agreement as defined in 15 U.S.C. § 3710a; or (2) An agreement that provides only: (i) Direct United States Government cash assistance to an individual; (ii) a subsidy; (iii) a loan; (iv) a loan guarantee; or (v) insurance.

Cooperative Audit Resolution. The use of audit follow-up techniques which promote prompt corrective action by improving communication, fostering collaboration, promoting trust, and developing an understanding between the Federal agency and the non-Federal entity. This approach is based upon:

- (a) A strong commitment by Federal agency and non-Federal entity leadership to program integrity;
- (b) Federal agencies strengthening partnerships and working cooperatively with non-Federal entities and their auditors; and non-Federal entities and their auditors working cooperatively with Federal agencies;
- (c) A focus on current conditions and corrective action going forward;
- (d) Federal agencies offering appropriate relief for past non-compliance when audits show prompt corrective action has occurred; and
- (e) Federal agency leadership sending a clear message that continued failure to correct conditions identified by audits which are likely to cause improper payments, fraud, waste, or abuse is unacceptable and will result in sanctions.

Copyright. A form of protection provided by the laws of the United States (Title 17, U.S.C.) to the authors of “original works,” including literary, dramatic, musical, artistic, and certain other intellectual works, including computer programs. This protection is available to both published and unpublished works.

Corrective Action. Action taken by the auditee that:

- (a) Corrects identified deficiencies;

- (b) Produces recommended improvements; or
- (c) Demonstrates that audit findings are either invalid or do not warrant auditee action.

Cost Allocation Plan. Central service cost allocation plan or public assistance cost allocation plan.

- (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.
- (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.

Cost Analysis. The breakdown and verification of cost data proposed in an application budget, including evaluating specific elements of costs, and examining them to determine the necessity, reasonableness, and ability to allocate the costs reflected in the budget and their allowability pursuant to the applicable Federal cost principles and other governing requirements.

Cost Objective. A program, function, activity, award, organizational subdivision, contract, or work unit for which cost data are desired and for which provision is made to accumulate and measure the cost of processes, products, jobs, capital projects, etc. A cost objective may be a major function of the non-Federal entity, a particular service or project, a Federal award, or an indirect (Facilities & Administrative (F&A)) cost activity, as described in Subpart E of 2 CFR Part 200 – Cost Principles. See also 2 CFR Part 200.44 Final Cost Objective and 2 CFR Part 200.60 Intermediate Cost Objective.

Cost Principles. The government-wide principles, issued by OMB (or, in the case of commercial organizations, the Federal Acquisition Regulation [FAR]) on allowable and unallowable costs under Federally sponsored agreements.

Cost Sharing or Matching. The portion of project costs not paid by Federal funds (unless otherwise authorized by Federal statute). See also 2 CFR Part 200.306 Cost Sharing Or Matching.

Cost Sharing or Matching Alternative. An alternative for the 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 also “Addition Alternative” and “Deduction 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.

Cross-cutting Audit Finding. An audit finding where the same underlying condition or issue affects Federal awards of more than one Federal awarding agency or pass-through entity.

Debarment and Suspension under Executive Orders (EO) 12549 and 12689. The actions taken by a debarring official in accordance with EO 12549 and OMB guidance at 2 CFR part 180, “Nonprocurement Debarment and Suspension,” as implemented by VA in 2 CFR part 801, to exclude a person or organization from participating in grants and other nonprocurement awards government-wide. If debarred or suspended, the person or organization may not receive financial assistance (under a grant, cooperative agreement, subaward, or contract under a grant) for a specified period of time. Debarments and suspensions carried out pursuant to 2 CFR part 801 are differentiated from post-award suspension action by a grants office (see “Suspension”).

Debt Collection. The process of collecting funds owed by recipients to the Federal government, which, under grants, generally are owed as a result of formal cost disallowances.

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.

Deduction Alternative. An alternative for the use of program income earned during the period of grant support, under which allowable costs of the project or program to be paid by the Federal government are offset by the amount of the program income. (See also “Addition Alternative” and “Cost-Sharing or Matching Alternative.”)

Deferral. Postponement of action on a discretionary grant application pending another action, such as receipt of additional information.

Delinquent Federal Debt. Any Federal debt for which the applicant has not made payment in a timely manner, as determined by the date of the demand letter, or other request for payment.

Designated Official. The individual to whom the head of the grants office has assigned the responsibility to perform certain functions in the objective review process. This individual may be in a central review function or in the program chain of command.

Deviation. A departure on a single-case or class basis from a regulatory or policy requirement. A single-case deviation represents a request for waiver or exception 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 Assistance. An assistance support mechanism, which must be specifically authorized by statute, whereby goods or services are provided to recipients in lieu of

cash. Direct assistance generally involves the assignment of Federal personnel or the provision of equipment or supplies, such as vaccines.

Direct Cost. Costs that can be identified specifically with 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.

Direct Costs Base. The accumulated direct costs (normally either total direct salaries and wages or total direct costs exclusive of any extraordinary or distorting expenditures) to which the indirect cost rate is applied in order to distribute indirect costs to individual Federal grant awards.

Disallowed Costs. Those charges to a Federal award that the Federal awarding agency or pass-through entity determines to be unallowable in accordance with the applicable Federal statutes, regulations, or terms and conditions of the Federal award.

Disallowance Letter. The formal letter issued to a recipient by an authorized grants office or other VA official advising of specific costs that have been determined to be unallowable.

Disbursement. The issuance of an electronic funds transfer (EFT) or providing access to benefits through an EFT.

Discretionary Grant. A grant, generally awarded on a competitive basis, which permits the Federal government to exercise judgment (“discretion”) in selecting the recipient and determining the amount of the award. Discretionary grants are sometimes referred to as “project grants.”

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

Data Universal Numbering System (DUNS) Number. The nine-digit number established and assigned by Dun and Bradstreet, Inc. (D&B) to uniquely identify entities. A non-Federal entity is required to have a DUNS number in order to apply for, receive, and report on a Federal award. A DUNS number may be obtained from D&B by telephone (currently 866-705-5711) or the Internet (currently at <http://fedgov.dnb.com/webform>).

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

Employer Identification Number (EIN). A unique number, also known as a Federal Tax Identification Number, assigned by the Internal Revenue Service and used to identify a business entity.

Entity Identification Number. A three-part coding scheme of 12 characters used in the Payment Management System (PMS) to identify organizations and individuals. The first character identifies the recipient as an organization or an individual. The next nine characters are the EIN. The last two characters are a suffix to provide distinction between organizational entities that are assigned a single EIN and those that have more than one.

Equipment. Tangible personal property (including information technology systems), having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the non-Federal entity for financial statement purposes, or \$5,000. See also 2 CFR Parts 200.12 Capital Assets, 200.20 Computing Devices, 200.48 General Purpose Equipment, 200.58 Information Technology Systems, 200.89 Special Purpose Equipment, and 200.94 Supplies.

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

Excluded Parties List System. The listing maintained and disseminated by the GSA that indicates those individuals and organizations debarred, suspended, or voluntarily excluded from participation in Federal procurement and separately nonprocurement activities, and the duration of the exclusion (see “Debarment and Suspension”).

Executive Order (EO). An order issued by the President of the United States, which has the full force and effect of law on the Executive Branch.

Executive Order 12372 (Intergovernmental Review of Federal Programs). The source of the requirement that State and local officials review certain proposed Federal financial assistance. 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. (38 CFR part 40, “Intergovernmental Review of Department of Veterans Affairs Programs and Activities,” is the VA implementation of the EO.)

Exempt Property. Tangible personal property acquired, in whole or part with Federal funds, in which the grants office has statutory authority to vest title in the recipient without further obligation to the Federal government.

Expanded Authorities. Operating authorities provided to recipients that waive the requirement for awarding office prior approval for specified actions, including, when applicable; carryover of unobligated balances; incurrence of specified direct costs; and initial no-cost extensions of up to 12 months.

Expenditures. Charges made by a non-Federal entity to a project or program for which a Federal award was received.

(a) The charges may be reported on a cash or accrual basis, as long as the methodology is disclosed and is consistently applied. (b) For reports prepared on a cash basis, expenditures are the sum of:

- (1) Cash disbursements for direct charges for property and services;
- (2) The amount of indirect expense charged;
- (3) The value of third-party in-kind contributions applied; and
- (4) The amount of cash advance payments and payments made to subrecipients.

(c) For reports prepared on an accrual basis, expenditures are the sum of:

- (1) Cash disbursements for direct charges for property and services;
- (2) The amount of indirect expense incurred;
- (3) The value of third-party in-kind contributions applied; and
- (4) The net increase or decrease in the amounts owed by the non-Federal entity for:
 - (i) Goods and other property received;
 - (ii) Services performed by employees, contractors, subrecipients, and other payees; and
 - (iii) Programs for which no current services or performance are required such as annuities, insurance claims, or other benefit payments.

Expenditure Report. (1) For nonconstruction grants, the Financial Status Report (FSR) (SF 425 or 425A); (2) For construction grants, the Outlay Report and Request for Reimbursement for Construction Programs; or (3) Any other OMB-approved program-specific expenditure reports.

Expiration Date. The date signifying the end of the current competitive segment, as indicated in the NoA.

External Implementation. A formal VA or grants office issuance, whether in a programmatic or grants management context, based on the VA grants administration regulations, VA grants policy, or VA financial policy chapter that specifies grant-related policies and requirements that apply to recipients.

Facilities and Administrative Costs. See “Indirect Costs.”

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. This may be determined in a variety of ways, including an independent appraisal.

Federal Acquisition Regulation (FAR). The codification of government-wide policies and procedures in the 48 CFR Chapter 1 used for acquisition of goods or services by executive agencies of the Federal government except those that are statutorily exempted.

Federal Agency. An “agency” as defined at 5 U.S.C. §551(1) and further clarified by 5 U.S.C. § 552(f).

Federal Audit Clearinghouse (FAC). The clearinghouse designated by OMB as the repository of record where non-Federal entities are required to transmit the reporting packages required by Subpart F – Audit Requirements. The mailing address of the FAC is:

Federal Audit Clearinghouse, Bureau of the Census
1201 E. 10th Street
Jeffersonville, IN 47132

The web address is: <http://harvester.census.gov/sac/>.

Any future updates to the location of the FAC may be found at the OMB website.

Federal Awarding Agency. The Federal agency that provides a Federal award directly to a non-Federal entity.

Federal Award. Depending on the context, either (a) or (b) below:

(a) (1) The Federal financial assistance that a non-Federal entity receives directly from a Federal awarding agency or indirectly from a pass-through entity, as described in section 200.101 Applicability; or (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, as described in 2 CFR Part 200.101 Applicability.

(b) The instrument setting forth the terms and conditions. The instrument is the grant agreement, cooperative agreement, other agreement for assistance covered in paragraph (b) of 2 CFR Part 200.40 Federal Financial Assistance, or the cost-reimbursement contract awarded under the FAR.

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 (GOCOs). (See also definitions of Federal financial assistance, grant agreement, and cooperative agreement.)

Federal Award Date. The date when the Federal award is signed by the authorized official of the Federal awarding agency.

Federal Financial Assistance.

(a) For grants and cooperative agreements, this means assistance that non-Federal entities receive or administer in the form of:

- (1) Grants;
- (2) Cooperative agreements;
- (3) Non-cash contributions or donations of property (including donated surplus property);
- (4) Direct appropriations;
- (5) Food commodities; and
- (6) Other financial assistance (except assistance listed in paragraph (b) of this definition).

(b) For Subpart F of 2 CFR Part 200 – Audit Requirements, also includes assistance that non-Federal entities receive or administer in the form of:

- (1) Loans;
- (2) Loan Guarantees;
- (3) Interest subsidies; and
- (4) Insurance.

(c) Does not include amounts received as reimbursement for services rendered to individuals as described in section , paragraph (h) and (i) of this Part.

Federal Funds Authorized. The total amount of funds obligated by the Federal government under an award, which serves as the ceiling on authorization.

Federal Interest. For purposes of 2 CFR Part 200.329 Reporting on Real Property 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: (a) Federal share of total project costs; and (b) 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 Participation. After the initial budget period of a competitive segment, this amount may include any authorized carryover of unobligated Federal funds from a prior funding period.

Federal Program.

- (a) All Federal awards which are assigned a single number in the CFDA.
- (b) 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.

(c) Notwithstanding paragraphs (a) and (b) of this definition, a cluster of programs. The types of clusters of programs are:

- (1) Research and development (R&D);
- (2) Student financial aid (SFA); and
- (3) "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.

Federally Recognized Indian Tribe. Any Indian tribe, band, nation, or other organized group or community (including any Native village as defined in, or established under, the Alaska Native Claims Settlement Act [43 U.S.C. § 1601 et seq.]) that is recognized by the United States as eligible for the special programs and services provided by the United States to Indians because of their status as Indians.

Fee. An amount, in addition to actual, allowable costs, paid to an organization providing goods or services, consistent with normal commercial practice. This payment also is referred to as "profit."

Field Reader. An individual that independently reviews grant applications as part of an objective review process but not as part of a committee or panel. Field readers may function in the same manner as objective review group members except that they do not meet to discuss applications and their evaluations are submitted separately.

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. See also sections 28 Cost Objective, 60 Intermediate Cost Objective.

Financial Assistance Instrument. Although there are other types of financial assistance instruments, for purposes of the GPC, a grant or cooperative agreement.

Financial Status Report (FSR). A standard Federal form (SF425 and SF425A) used to monitor the financial progress of non-construction grants, by showing the status of Federal funds and required matching or cost sharing. This report may be updated quarterly or semi-annually, but must at least be completed once per year.

Fiscal Year. The operational year for the Federal government; this runs from October 1 through September 30 of the following year.

Fixed Amount Awards. A type of grant agreement under which the Federal awarding agency or pass-through entity provides a specific level of support without regard to actual costs incurred under the Federal award. This type of Federal award reduces some of the administrative burden and record-keeping requirements for both the non-Federal entity and Federal awarding agency or pass-through entity. Accountability is

based primarily on performance and results. See 2 CFR Part 200.201 Use of Grant Agreements (Including Fixed Amount Awards), Cooperative Agreements, and Contracts paragraph (b) and 2 CFR Part 200.332 Fixed Amount Subawards.

Flow-Down/Flow-Through Provisions. Terms and conditions of the Federal award that are required to be applied to subrecipients and their subawards, that is, “flowed down” by the recipient. In most cases, these requirements are the same requirements that apply to the recipient/grant. In other cases, a requirement that may not apply to the recipient because of its entity type, may be required to be flowed down to a subrecipient/award.

Foreign Public Entity. (a) A foreign government or foreign governmental entity; (b) A public international organization, which is an organization entitled to enjoy privileges, exemptions, and immunities as an international organization under the International Organizations Immunities Act (22 U.S.C. 288-288f); (c) An entity owned (in whole or in part) or controlled by a foreign government; or (d) Any other entity consisting wholly or partially of one or more foreign governments or foreign governmental entities.

Foreign Organization. An entity that is: (a) A public or private organization located in a country other than the United States and its territories that is subject to the laws of the country in which it is located, irrespective of the citizenship of project staff or place of performance; (b) A private non-governmental organization located in a country other than the United States that solicits and receives cash contributions from the general public; (c) 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, and 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 entities organized primarily for religious purposes; or (d) An organization located in a country other than the United States not recognized as a Foreign Public Entity.

Formal Advertising (Sealed Bidding). The method of contracting that involves preparing an invitation for bids describing the requirement; publicizing the invitation for bids through distribution to prospective bidders; posting in public places such as publication in newspapers, notices in trade journals, and other such means as may be appropriate; public opening of bids; and award of the contract to the responsible bidder whose bid, without negotiation, conforms to the invitation for bids and contains the lowest price.

Funding Opportunity Announcement. A formal published announcement of the availability of Federal funding under one or more Federal financial assistance programs. The announcement invites applications and provides information related to the funding opportunity, such as eligibility and evaluation criteria, funding preferences/priorities, how to obtain application materials (if needed in hard copy), and the submission deadline.

This type of announcement also may be termed “program announcement” or “request for applications.”

General Purpose Equipment. Equipment which is not limited to research, medical, scientific or other technical activities. Examples include office equipment and furnishings, modular offices, telephone networks, information technology equipment and systems, air conditioning equipment, reproduction and printing equipment, and motor vehicles. See also Equipment and Special Purpose Equipment.

Generally Accepted Accounting Principles (GAAP). Has the meaning specified in accounting standards issued by the Government Accounting Standards Board (GASB) and the Financial Accounting Standards Board (FASB).

Generally Accepted Government Auditing Standards (GAGAS). Generally accepted government auditing standards issued by the Comptroller General of the United States, which are applicable to financial audits.

Grant Agreement. A legal instrument of financial assistance between a Federal awarding agency or pass-through entity and a non-Federal entity, that is consistent with 31 U.S.C. §§ 6302, 6304:

(a) Is used to enter into a relationship for the principal purpose of transferring anything of value from the Federal awarding agency or pass-through entity to the non-Federal entity, to carry out a public purpose authorized by a law of the United States (see 31 U.S.C. § 6101(3)); and not to acquire property or services for the Federal awarding agency or pass-through entity's direct benefit or use;

(b) Is distinguished from a cooperative agreement in that it does not provide for substantial involvement between the Federal awarding agency or pass-through entity and the non-Federal entity in carrying out the activity contemplated by the Federal award; and

(c) Does not include an agreement that provides only:

- (1) Direct United States Government cash assistance to an individual;
- (2) A subsidy;
- (3) A loan;
- (4) A loan guarantee; or
- (5) Insurance.

Grantee. See “Recipient.”

Grants.gov. A government-wide portal through which the public and potential applicants can search for competing discretionary grant funding opportunities, as well as submit applications for those opportunities, and for other non-competing discretionary or mandatory grants.

Grants Policy Chapters (GPC). The highest-level source of internal VA policies affecting VA grants and cooperative agreements. GPCs are issued solely as a means of establishing grants management requirements for VA staff.

Grants Process Manual (GPM). A manual or sets of policies and processes developed by the grants offices that implement and supplement the VA GPC by providing detailed policies and procedures, sample documents, and other tools, specific to the program.

High-Risk. A designation applied to a recipient that is at risk of financial failure or inability to perform based on a history of poor performance or poor business practices, financial instability, or lack of management systems that meet the required financial management standards. This designation allows additional or alternate terms and conditions to be used to protect the Federal government's interests without the need for obtaining a deviation.

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 whom an investigator conducting research obtains data through intervention or interaction with the individuals or identifiable private information. (38 CFR part 16 is the VA implementation of the common rule concerning the protection of human subjects.)

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.

Improper Payment. (a) Any payment that should not have been made or that was made in an incorrect amount (including overpayments and underpayments) under statutory, contractual, administrative, or other legally applicable requirements; and (b) includes any payment to an ineligible party, any payment for an ineligible good or service, any duplicate payment, any payment for a good or service not received (except for such payments where authorized by law), any payment that does not account for credit for applicable discounts, and any payment where insufficient or lack of documentation prevents a reviewer from discerning whether a payment was proper.

Incremental Funding. The process by which an awarding office funds multi-year projects in increments (generally annually) called budget periods.

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

Independent Review. See "Objective Review."

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 Alaska Native

Claims Settlement Act (43 U.S.C. § 1601, et seq.), which is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians (25 U.S.C. § 450b(e)). See annually published Bureau of Indian Affairs list of Indian Entities Recognized and Eligible to Receive Services.

Indirect (Facilities & Administrative) Costs. Those costs incurred for common or joint purpose, benefitting more than one cost objective and not readily assignable to the cost objectives specifically benefitted, disproportionate to the results achieved. To facilitate equitable distribution of indirect expenses to the cost objectives served, it may be necessary to establish a number of pools of indirect (F&A) costs. Indirect (F&A) cost pools should be distributed to benefitted cost objectives on a basis that will produce an equitable result in consideration of relative benefits derived.

Indirect Cost Rate Proposal. The documentation prepared by the non-Federal entity recipient to substantiate its request for the establishment of an indirect cost rate, as described in Appendix III of 2 CFR Part 200, Indirect (F&A) Costs Identification and Assignment, and Rate Determination for Institutions of Higher Education (IHEs) through Appendix VII of 2 CFR Part 200, States and Local Government and Indian Tribe Indirect Cost Proposals.

Indirect Cost Rate. The rate negotiated by the cognizant Federal agency that is used as the basis for reimbursing indirect costs. The rate may be applicable to an entire organization, on-site activities or off-site activities only, a particular site, or specified activities. The rate must be effective for the period in which reimbursement is claimed. Rates may be fixed, predetermined, provisional, or final consistent with the applicable Federal cost principles (see “Direct Cost Base”).

Indirect Cost Rate Agreement. The document that formalizes the establishment of an indirect cost rate(s) and provides information on the proper application of the rate(s).

Information Technology Systems. Computing devices, ancillary equipment, software, firmware, and similar procedures, services (including support services), and related resources. See also 2 CFR Part 200.20 computing Devices and 2 CFR Part 200.33 Equipment.

Initial Review Group. Under peer review, a group composed of primarily non-Federal scientific or technical experts who conduct the initial scientific and technical merit review of grant applications.

Institutional Review Board. An 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 organization with which it is affiliated. The Institutional Review Board has the authority to approve, require modifications in, or disapprove all research activities that fall within its jurisdiction.

Institutions of Higher Education (IHEs). Defined at 20 U.S.C. § 1001.

Intangible Property. Property having no physical existence, such as: trademarks; copyrights; patents and patent applications and property, such as loans, notes, and other debt instruments; lease agreements; stock; and other instruments of property ownership (whether the property is tangible or intangible).

Interagency Agreement. A written agreement between two or more Federal agencies under the authority of the Economy Act or other statutory authority that specifies the rights and obligations of each agency under the agreement; deliverables; period of performance; if applicable, a budget and other funding information; and applicable terms and conditions.

Intermediate cost objective. A cost objective that is used to accumulate indirect costs or service center costs that are subsequently allocated to one or more indirect cost pools or final cost objectives. See also 2 CFR Part 200.28 Cost Objective and 2 CFR Part 200.44 Final Cost Objective.

Internal Controls. A process, implemented by a non-Federal entity, designed to provide reasonable assurance regarding the achievement of objectives in the following categories: (a) Effectiveness and efficiency of operations; (b) Reliability of reporting for internal and external use; and (c) Compliance with applicable laws and regulations.

Internal Control Pertaining to the Compliance Requirements for Federal Programs. A process implemented by a non-Federal entity designed to provide reasonable assurance regarding the achievement of the following objectives for Federal awards:

(a) Transactions are properly recorded and accounted for, in order to:

- (1) Permit the preparation of reliable financial statements and Federal reports;
- (2) Maintain accountability over assets; and
- (3) Demonstrate compliance with Federal statutes, regulations, and the terms and conditions of the Federal award;

(b) Transactions are executed in compliance with:

- (1) Federal statutes, regulations, and the terms and conditions of the Federal award that could have a direct and material effect on a Federal program; and
- (2) Any other Federal statutes and regulations that are identified in the Compliance Supplement; and

(c) Funds, property, and other assets are safeguarded against loss from unauthorized use or disposition.

Internal Implementation. Any grants office issuance that establishes policies and procedures implementing VA grants administration regulations or GPC.

Key Personnel. The program or project director and other individuals who, as determined by the grants office, contribute to the programmatic development or execution of a project or program in a substantive, measurable way, whether or not they receive salaries or compensation under the grant.

Letter of Intent (LOI). A preliminary, non-binding indication of an organization's intent to submit an application.

Liquidated Damages. An amount defined in a contract and chargeable against funds due to the contractor for each day the contractor fails to complete the project beyond the contract completion date.

Loan. A Federal loan or loan guarantee received or administered by a non-Federal entity, except as used in the definition of 2 CFR Part 200.80 Program Income.

(a) The term "direct loan" means a disbursement of funds by the Federal government to a non-Federal borrower under a contract, that requires the repayment of such funds with or without interest. The term includes the purchase of, or participation in, a loan made by another lender and financing arrangements that defer payment for more than 90 days, including the sale of a Federal government asset on credit terms. The term does not include the acquisition of a Federally guaranteed loan in satisfaction of default claims or the price support loans of the Commodity Credit Corporation.

(b) The term "direct loan obligation" means a binding agreement by a Federal awarding agency to make a direct loan when specified conditions are fulfilled by the borrower.

(c) The term "loan guarantee" means any 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.

(d) The term "loan guarantee commitment" means a binding agreement by a Federal awarding agency to make a loan guarantee when specified conditions are fulfilled by the borrower, the lender, or any other party to the guarantee agreement.

Local Government. Any unit of government within a state, including a: (a) County; (b) Borough; (c) Municipality; (d) City; (e) Town; (f) Township; (g) Parish; (h) Local public authority, including any public housing agency under the United States Housing Act of 1937; (i) Special district; (j) School district; (k) Intra-State district; (l) Council of governments; whether or not incorporated as a nonprofit corporation under state law; and (m) Any other agency or instrumentality of a multi-, regional, or intra-state or local government.

Low-Cost Extension. A non-competitive extension of time to a project period (competitive segment), along with a minimal amount of additional Federal support to complete the work under a grant.

Maintenance of Effort. A requirement contained in the authorizing statute or program regulations stating, that in order to receive Federal grant funds, a recipient must agree to maintain a specified level of financial effort (using a specified baseline period, such as the year prior to the initiation of grant support) for the grant from its own resources and other non-Federal sources.

Major Program. A Federal program determined by the auditor to be a major program in accordance with 2 CFR Part 200.518 Major Program Determination or a program identified as a major program by a Federal awarding agency or pass-through entity in accordance with 2 CFR Part 200.503 Relation to other Audit Requirements, paragraph (e).

Management Decision. The 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 to the auditee as to what corrective action is necessary.

Mandatory Formula Grant. A type of formula grant program under which the grants office does not have discretion in making awards. Under these programs, the State or other recipient is required to provide a plan/application indicating how they plan to use the amount to be provided determined by the use of a formula, which is reviewed and/or approved by the grants office. The award must be carried out consistent with Federal requirements and the recipient's assurances.

Mandatory Grant. A grant that a Federal agency is required by statute to award if the recipient (usually a State) submits an acceptable plan or application and meets the eligibility and compliance requirements of the statutory and regulatory provisions of the program. Mandatory grants include open-ended entitlement grants, closed-ended entitlement grants, mandatory formula grants, and block 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 certain other characteristics related to the purchase price or subsequent title to the property. Material equity leases are also referred to as "capital leases."

Micro-Purchase. A purchase of supplies or services using simplified acquisition procedures; the aggregate amount of which does not exceed the micro-purchase threshold. Micro-purchase procedures comprise a subset of a non-Federal entity's small purchase procedures. The non-Federal entity uses such procedures in order to expedite the completion of its lowest-dollar small purchase transactions and minimize the associated administrative burden and cost. The micro-purchase threshold is set by the

Federal Acquisition Regulation at 48 C.F.R. Subpart 2.1 (Definitions). It is \$3,000 except as otherwise discussed in Subpart 2.1 of that regulation, but this threshold is periodically adjusted for inflation.

Modernization. Alteration, renovation, remodeling, improvement, expansion, repair of, or completion of shell space in an existing building (whether for storage or for human occupancy).

Modified Total Direct Cost (MTDC). All direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and subawards and subcontracts up to the first \$25,000 of each subaward or subcontract (regardless of the period of performance of the subawards and subcontracts under the award). MTDC excludes equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs, and the portion of each subaward and subcontract in excess of \$25,000. Other items may only be excluded when necessary to avoid a serious inequity in the distribution of indirect costs, and with the approval of the cognizant agency for indirect costs.

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

Name Change. An action that changes the legal name of an organization without otherwise affecting the rights and obligations of the organization as a recipient of a grant(s).

No-Cost Extension. A noncompetitive extension of time to the final budget period of a competitive segment, without additional Federal funds, to complete the work under a grant or avoid a hiatus while a competing continuation application is under consideration.

Non-Competing Continuation Application/Award. A financial assistance request (in the form of an application or performance/progress report) or resulting 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 (NGO). A public or private institution of higher education; public or private hospital; Indian tribe that is not Federally recognized; Indian tribal organization; or quasi-public or private nonprofit organization or commercial organization. The term does not include a government, an individual, a Federal agency, or a foreign or international organization (such as an agency of the United Nations).

Non-Federal Entity. A state, local government, Indian tribe, institution of higher education (IHE), or nonprofit organization that carries out a Federal award as a recipient or subrecipient.

Non-Federal Share. When cost sharing or matching is required as a condition of an award, the portion of allowable project/program costs not borne by the Federal government.

Nonprofit Organization. Any corporation, trust, association, cooperative, or other organization, not including IHEs, that: (1) Is operated primarily for scientific, educational, service, 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.

Notice of Award (NoA). The official document, signed (or the electronic equivalent of signature) by a Grants Management Officer (GMO) that:

- (a) Notifies the recipient of the award of a grant;
- (b) Contains or references all of the terms and conditions of the grant and Federal funding limits and obligations; and
- (c) Provides the documentary basis for recording the obligation of Federal funds in the VA accounting system.

Objective Review. A process that involves the thorough and consistent examination of applications based on an unbiased evaluation of scientific or technical merit or other relevant aspects of the proposal. The review is performed by experts in the field of the endeavor for which support is requested, and is intended to provide advice to the individuals responsible for making award decisions.

Obligations. When used in connection with a non-Federal entity's utilization of funds under a Federal award, this 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.

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

Open-Ended Entitlement Grant. A type of mandatory grant based on compliance with programmatic requirements, for example, the provision of specified services to eligible beneficiaries, the grants office is required to reimburse the recipient (generally a State) for all or a portion of eligible costs, and there is no upper limit on the amount of funds the Federal government will pay for allowable services and activities (as specified in the governing statute and implementing regulations).

Oversight Agency for Audit. The Federal awarding agency that provides the predominant amount of funding directly to a non-Federal entity, the non-Federal entity is not assigned a cognizant agency for audit. When there is no direct funding, the Federal awarding agency which 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 Part 200.513 Responsibilities, paragraph (b).

Participant Support Costs. Direct 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.

Pass-through Entity. A non-Federal entity that provides a subaward to a subrecipient to carry out part of a Federal program.

Patent. A property right awarded by the Federal 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 grants payment system, operated by their Division of Payment Management, Program Support Center. Federal government agencies' recipients receive grant payments through this system. This system also is referred to as SMARTLINK.

Performance Goal. A target level of performance expressed as a tangible, measurable objective, against which actual achievement can be compared, including a goal expressed as a quantitative standard, value, or rate. In some instances (e.g., discretionary research awards), this may be limited to the requirement to submit technical performance reports (to be evaluated in accordance with agency policy).

Period of Performance. The time during which the non-Federal entity may incur new obligations to carry out the work authorized under the Federal award. The Federal awarding agency or pass-through entity must include start and end dates of the period of performance in the Federal award (see 2 CFR Part 200.210 information contained in Federal Award paragraph (a)(5) and 2 CFR Part 200.331 Requirements for Pass-through Entities, paragraph (a)(1)(iv)).

Personal Property. Property other than real property. It may be tangible, having physical existence, or intangible.

Pre-Application. Summary-level information provided as a preliminary submission, concerning an organization's intent to submit an application for Federal funds under a funding opportunity announcement. It differs from a LOI in that it includes information that a grant office is required to evaluate and on which feedback must be provided. It is used to determine the organization's eligibility; the standing of the proposed project compared to other pre-applications; and those applications with little or no chance for Federal funding, before applicants incur significant expenditures in preparing an application.

Pre-Award Cost. Any cost incurred prior to the beginning date of the project period or the initial budget period of a competitive segment (under a multi-year award), in anticipation of the award and at the applicant's own risk, for otherwise allowable costs.

Program or Project Director. An individual(s), designated by the recipient, who is responsible for directing the project or program being supported by a grant. They are responsible and accountable to officials of the recipient organization for the proper conduct of the project, program, or activity.

Prior Approval. The written permission that must be obtained before the recipient may undertake certain activities (whether performance of a new or modification of a previously approved activity), expend funds for specific direct costs, or exceed a certain aggregate dollar level. If the costs or other actions requiring prior approval are specifically identified in an application, approval of the application, and issuance of an award based thereon, constitutes such authorization; otherwise, the approval must be obtained from the GMO. Prior approval for components of indirect costs must be obtained from the cognizant agency or as specified in the applicable cost principles.

Program Income. Gross income earned by a recipient and/or subrecipient that was directly generated by the grant-supported activity or earned as a result of the award. Program income includes, but is not limited to: 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: rebates; credits; discounts; or interest earned in relation to program income; the receipt of principal on loans or interest the recipient earns on those amounts after receiving them from the borrower; taxes; special assessments; levies; fines; or similar revenues raised by a governmental recipient or subrecipient. The term also does not include interest earned on advances of Federal funds and proceeds from the sale of equipment or real property acquired under an award, which have distinct accountability requirements.

Program Information File. A file containing the general information affecting a Federal financial assistance program, for example, the authorizing statute and funding opportunity announcement.

Progress or Performance Report. A report submitted by the recipient for each grant in the frequency specified by the awarding office—usually annually, but generally no more frequently than quarterly—, and in accordance with awarding office instructions on content. Generally, such reports contain information on the comparison of actual accomplishments to objectives established for the period covered by the report.

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

Project Period. The total time for which Federal support has been programmatically approved as shown in the NoA; however, it does not constitute a commitment by the Federal government to fund the entire period. The total project period comprises the initial competitive segment, any subsequent competitive segments resulting from a competing continuation award(s), and any no-cost or low-cost extension(s).

Property. Unless otherwise stated, real property (including purchase, construction, or improvements) and equipment and intangible property, including debt instruments.

Protected Personally Identifiable Information (Protected PII). An individual's first name or first initial and last name in combination with any one or more of types of information, including, but not limited to: social security number; passport number; credit card numbers; clearances; bank numbers; biometrics; date and place of birth; mother's maiden name; criminal, medical and financial records; and educational transcripts. This does not include PII that is required by law to be disclosed. (See also 2 CFR Part 200.79 Personally Identifiable Information).

Questioned Cost. A cost that is questioned by the auditor because of an audit finding: (a) Which resulted from a violation or possible violation of a statute, regulation, or terms and conditions of a Federal award, including for funds used to match Federal funds; (b) Where the costs, at the time of the audit, are not supported by adequate documentation; or (c) Where the costs incurred appear unreasonable and do not reflect the actions a prudent person would take in the circumstances.

Real Property. Land, including land improvements, structures and appurtenances thereto, but excludes 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. A non-Federal entity that receives a Federal award directly from a Federal awarding agency to carry out an activity under a Federal program. The term recipient does not include subrecipients. See also section 69 Non-Federal Entity.

Reimbursement Payment. A payment made to a recipient, upon request, after cash disbursements are made by the recipient. Reimbursement payments are considered the exception, and are generally used for construction grants; when a recipient has been determined to be "high-risk;" or when a recipient elects to be financed on a reimbursement basis as opposed to an advance method of payment.

Replacement Equipment. Equipment acquired to take the place of other equipment. To qualify as replacement equipment and be considered an allowable cost, 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.

Research and Development. All research activities, both basic and applied, and all development activities that are performed by non-Federal entities. The term research also includes activities involving the training of individuals in research techniques in which such activities utilize the same facilities as other research and development activities, and are not included in the instruction function.

"Research" is defined as a 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.

Reversionary Interest. The reservation of a right by the Federal government in tangible personal property or real property acquired as part of a grant-supported project, that is, with Federal funds and/or required matching or cost sharing, which requires the grants office to be reimbursed for its share of the property upon disposition.

SF-424. The official application for Federal assistance form, required by OMB. The Federal awarding agencies and OMB use information reported on this form for general management of Federal assistance awards programs.

Significant Rebudgeting. A threshold that is reached when expenditures in a single direct cost budget category deviate (increase or decrease) from the approved budget amount for that budget category for that budget period, by a specified amount, usually more than 25 percent of the total costs awarded. Significant rebudgeting is one indicator of change in scope.

Simplified Acquisition Threshold. The dollar amount below which a non-Federal entity may purchase property or services using small purchase methods. Non-Federal entities adopt small purchase procedures in order to expedite the purchase of items costing less than the simplified acquisition threshold. The simplified acquisition threshold is set by the Federal Acquisition Regulation at 48 C.F.R. Subpart 2.1 (Definitions) and in accordance with 41 U.S.C. § 1908. As of the publication of this Part, the simplified acquisition threshold is \$150,000, but this threshold is periodically adjusted for inflation. (Also see definition of 2 CFR Part 200.67 Micro-purchase.)

Single-Source Award. A new, competing continuation, or competing supplemental award, that based on an approved, written justification, is not competed either on an open competition or on a limited competition basis.

Small Business Concern. A business that is independently owned and operated; is not dominant in the field of operation; has its principal place of business in the United States; is organized for profit; is at least 51 percent owned or, in the case of a publicly owned business, at least 51 percent of its voting stock is owned by U.S. citizens or lawfully admitted permanent resident aliens; has, including its affiliates, not more than

500 employees; and meets other regulatory requirements established by the Small Business Administration (SBA) at 13 CFR part 121, “Small Business Size Regulations.”

Special Purpose Equipment. Equipment which is used only for research, medical, scientific, or other technical activities. Examples of special purpose equipment include microscopes, X-ray machines, surgical instruments, and spectrometers. See also 2 CFR Part 200.33 Equipment and 2 CFR Part 200.48 General Purpose.

State. Any state of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and any agency or instrumentality thereof exclusive of local governments.

State Plan. A plan submitted to a Federal agency that describes the proposed uses of Federal funds and assures compliance with pertinent statutory and regulatory requirements. A State plan rather than an application generally is required under mandatory grant programs.

Stewardship. The responsible management of Federal grant funds by Federal officials. This involves: ensuring adequate separation of responsibilities and internal controls to include written policies and procedures and an assessment of compliance with them; oversight of the process of evaluating and awarding grants, and active post-award management of grants to ensure that performance is satisfactory, funding is properly and prudently utilized; and applicable laws and regulations are followed.

Stipend. A payment made to an individual under a fellowship or training grant in accordance with pre-established levels to provide for the individual's living expenses during the period of training. A stipend is not considered compensation for the services expected of an employee.

Subaward. An 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. It 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 subaward from a from a pass-through entity to carry out part of a Federal program; but does not include an individual that is a beneficiary of such program. A subrecipient may also be a recipient of other Federal awards directly from a Federal awarding agency.

Successor-in-Interest. A process whereby the rights to, and obligations of, a grant(s) are acquired incidental to the transfer of all of the assets of the recipient or all of that part of the assets involved in the performance of the grant. Such transfer may result

from legislative action or other legal action such as a merger (that is, the unification of two or more legal entities), divestiture, or other corporate change. The result is a change in the organizational entity with legal and financial responsibility for the grant, but no change in the organizational segment actually performing the approved project.

Supplement. A request for the award of additional funds during a current budget period to:

- (1) Support new or additional activities which are not identified in the current award representing a change in scope;
- (2) Support an expansion of the grant-approved activities; or
- (3) Provide for an increase in costs due to unforeseen circumstances.

Supplement Not Supplant. A form of maintenance-of-effort requirement, generally provided in statute, which specifies that Federal funds received may not be used to reduce the amount of State, local, or other funds previously spent for the same or similar purposes. The baseline for a “supplement-not-supplant” requirement may be the recipient’s previous fiscal year or another baseline year or period.

Supplies. All tangible personal property other than 200.33 Equipment. A computing device is a supply if the acquisition cost is less than the lesser of the capitalization level established by the non-Federal entity for financial statement purposes or \$5,000, regardless of the length of its useful life. See also sections 200.20 Computer Devices Equipment and 200.33 Equipment.

Surplus Property. Property that is no longer needed by the Federal government, declared surplus by the GSA, and available for donation for authorized purposes.

Suspension. A term that has two different meanings. In the post-award context only, an action by an awarding office that temporarily suspends a recipient’s authority to incur costs under an award, pending corrective action by the recipient or pending a decision by the grants office to terminate the award. In a pre-award or post-award context, suspension also means, under agency regulations implementing EO 12549, “Debarment and Suspension,” and 2 CFR part 180, the action (or effect of an action) to temporarily limit an organization’s eligibility to receive nonprocurement awards from any Federal agency.

Tangible Property. Equipment, supplies, and any other property other than that defined as intangible property.

Termination. The ending of a Federal award, in whole or in part at any time prior to the planned end of period of performance. Termination is distinct from VA’s refusal to provide additional funds through a non-competing continuation award (see “Withholding of Support”).

Termination Costs. Costs incurred, or the need for special treatment of costs, which would not have arisen had the award not been terminated.

Terms and Conditions. All legal requirements imposed on an award by the awarding office, whether by statute, regulation, or policy, and whether referenced or specified in full text in the NoA.

Third-Party In-Kind Contributions. The value of non-cash contributions (i.e., property or services) that (a) Benefit a Federally assisted project or program; and (b) Are contributed by non-Federal third parties, without charge, to a non-Federal entity under a Federal award.

Training Project. A type of discretionary grant support designed to provide student or staff training in techniques pertaining to research or the delivery of certain services.

Unliquidated Obligation. For financial reports prepared on a cash basis, obligations incurred by the non-Federal entity that have not been paid (liquidated). For reports prepared on an accrual expenditure basis, these are obligations incurred by the non-Federal entity for which an expenditure has not been recorded.

Unobligated Balance. The amount of the funds under a Federal award that the non-Federal entity has not obligated. The amount is computed by subtracting the cumulative amount of the non-Federal entity's unliquidated obligations and expenditures of funds under the Federal award from the cumulative amount of the funds that the Federal awarding agency or pass-through entity authorized the non-Federal entity to obligate.

Unsolicited Application. An application received for a project which is not within the scope of any funding opportunity announcement issued or expected to be issued, but which clearly is within the scope of activities which can be supported by the Federal awarding agency. Such applications must be submitted in writing and solely on the applicant's own initiative, without prior formal or informal solicitation by a Federal official. Unsolicited applications are distinguished in their handling from investigator-initiated research applications submitted in response to broadly based funding opportunity announcements.

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

Withholding of Payment. An action taken by an awarding office, after appropriate administrative procedures have been provided, which delays a recipient's ability to access its grant funds until the recipient takes needed corrective action.

Withholding of Support. A decision by a grants office not to make a non-competing continuation award within a previously approved project period.

010703 Acronyms.

ACH	Automated Clearinghouse
ADR	Alternative Dispute Resolution
A&R	Alterations and Renovations
CAP	Corrective Action Plan
CCR	Central Contractor Registration
CFDA	Catalog of Federal Domestic Assistance
CFO	Chief Financial Officer
CFR	Code of Federal Regulations
DAS	Deputy Assistant Secretary
DMF	Death Master File
DUNS	Data Universal Numbering System
EFT	Electronic Funds Transfer
EIN	Employer Identification Number
EO	Executive Order
EPLS	Excluded Parties List System
FAADS	Federal Assistance Awards Data System
FAC	Federal Audit Clearinghouse
FACA	Federal Advisory Committee Act
FAR	Federal Acquisition Regulation
F&A	Facilities and Administrative
FCTR	Federal Cash Transactions Report
FFATA	Federal Funding Accountability and Transparency Act
FMS	Financial Management System
FOIA	Freedom of Information Act
FSC	Financial Service Center
FSR	Financial Status Report, SF-425
FY	Fiscal Year
GMO	Grants Management Officer
GMS	Grants Management Services
GPC	Grants Policy Chapters
GPO	Grants Program Office
GPM	Grants Process Manual
GRB	Grants Review Board
GSA	General Services Administration
HHS	Department of Health and Human Services
IHE	Institutions of Higher Education
LEIE	List of Excluded Individuals/Entities
LOI	Letter of Intent
NCA	National Cemetery Administration
NEPA	National Environmental Policy Act
NFI	Notice of Federal Interest
NGA	Notice of Grant Award

NoA	Notice of Award
NOFA	Notices of Funding Availability
OALC	Office of Acquisition, Logistics, and Construction
OCLA	Assistant Secretary for Congressional and Legislative Affairs
OCL	Office of Congressional Liaison
OCR	Office for Civil Rights
OFFM	Office of Federal Financial Management
OFFP	Office of Financial Policy
OGC	Office of General Counsel
OIG	Office of the Inspector General
OMB	Office of Management and Budget
PMS	Payment Management System
PSC	Policy Steering Committee
PWG	Policy Working Group
SBA	Small Business Administration
SF	Standard Form
SME	Subject Matter Expert
SSN	Social Security Number
USC	United States Code
VACO	Veterans Affairs Central Office
VBA	Veterans Benefits Administration
VHA	Veterans Health Administration

0108 RESCISSIONS

OFFP Volume X, Chapter 1, General Grants Policy, July 2014.

0109 QUESTIONS

Questions concerning these policies and procedures should be directed as shown below: OFFP Grants Management Services

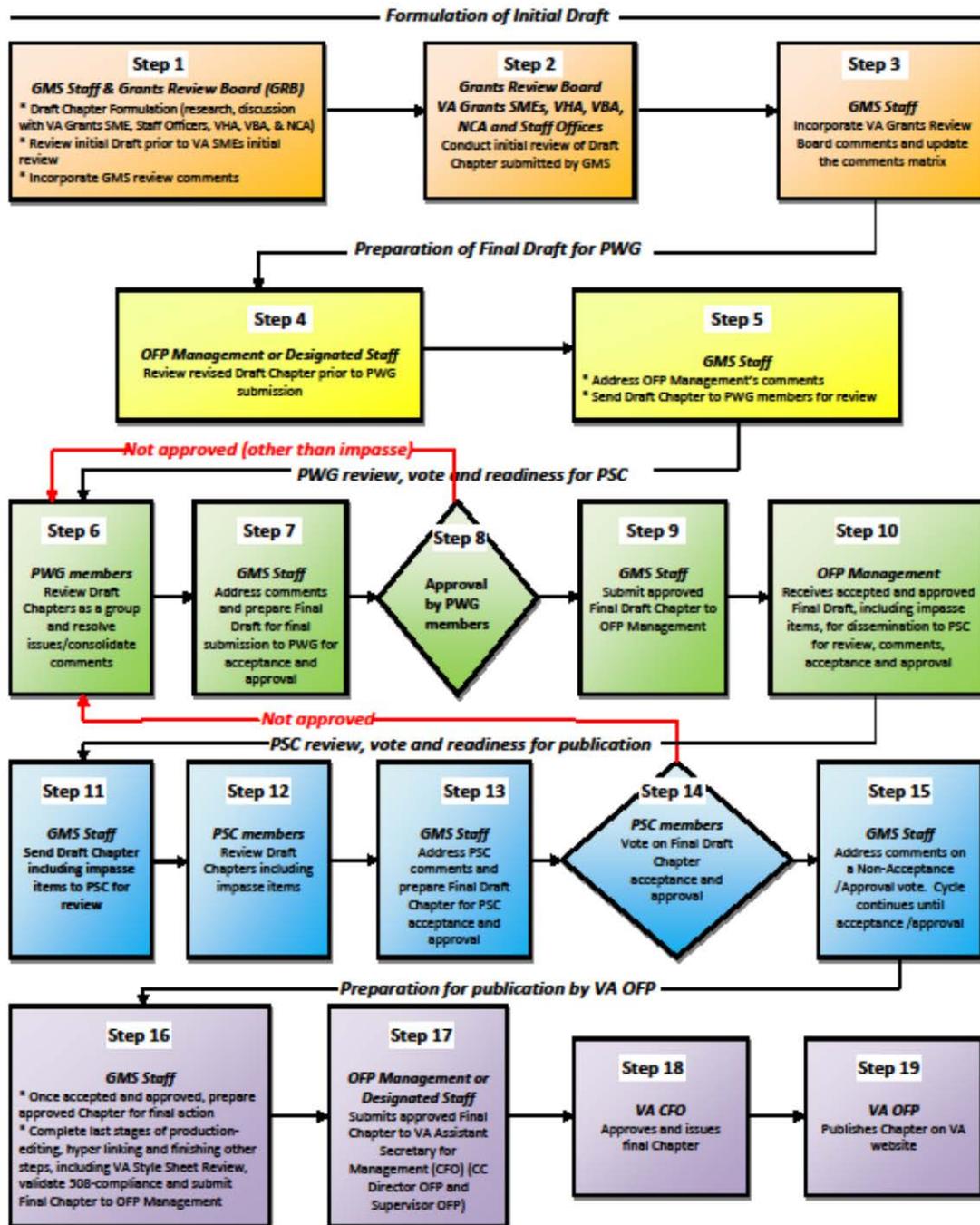
0110 REVISIONS

Section	Revision	Office	Effective Date
0101 Overview	Updated overview for clarity and use of this policy chapter.	Grants Mgmt	May 2016
0102 Policies	Clarified the role of GMS in the updating of policies. Updated references to 2 CFR Part 200 where relevant.	Grants Mgmt	May 2016
0103 Authority and References	Updated to reflect current grant guidance, and to remove superceded guidance.	Grants Mgmt	May 2016
0107 Definitions	Changes to reflect current terminology and definitions from 2 CFR Part 200.	Grants Mgmt	May 2016

Appendix A	Added grants policy chapter workflow as new appendix.	Grants Mgmt	May 2016
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APPENDIX A: GRANTS POLICY WORKFLOW

Department of Veterans Affairs
Grants Policies Process Work Flow



As of July 1, 2011