Appendix 2
Helpful Definitions

Federal Funding

1. **Grant**: An award of funds for research, training, planning, etc., made on a competitive basis to an organization or individual for a fixed period of time. It differs from a contract in that the grantee is not required to produce specified results.

2. **RFP (Request for Proposal)**: Agency requests proposals from individuals or institutions to perform a specific task. The resulting award is in contract form. RFP’s are published in the Commerce Business Daily (CBD).

   
   a. **Proposed regulations**: Comments from interested parties are requested before regulations are finalized.
   
   b. **Final regulations**: Review of the comments received are included with the final, legal requirements for the program’s operation.

4. **Guidelines**: Format for a written application and an outline of program goals that should be addressed in the application proposal. Guidelines are published by the agency and are available from the program staff.

5. **Funding Criteria**: A statement of goals or objectives which should be addressed in a proposal and which will be used to measure the quality of the proposal. May be published in the FR in place of guidelines.

6. **Discretionary funds or programs**: Programs or parts of programs whose funds are awarded from the national office based on priorities established in that office.

7. **Continuation grant**: Money awarded for the continuation of a previously funded project. Continued funding is usually contingent upon successful performance in the previous year.

8. **Principal Investigator (PI)**: The individual responsible for carrying out the terms of an award.

9. **Preliminary proposal**: A short statement of a project idea that includes objectives, methodology, justification, estimated budget, time frame, personnel needs, vita for principal investigator. Sometimes referred to as concept paper or prospectus.
10. **Formal or full proposal**: A more detailed version of the preliminary proposal that includes a final budget and review of the relevant literature.

11. **Fellowship**: An award to an individual to enable him/her to pursue study in his/her or to introduce him/her to a related field. Emphasis is on contribution to the individual’s own scholarly development rather than on a specific piece of research. The funds awarded under a fellowship are referred to as the **stipend**.
   
   a. **Research fellowship**: An award to an individual to perform research.
   
   b. **Training fellowship or traineeship**: An award to support the individual while receiving training in his/her field or a related field. This type of award is often granted to the institution on behalf of an individual or individuals.

12. **Unsolicited proposal**: A research or development proposal made to the government by an organization or individual that is not in response to a program announcement or request for a proposal.

13. **Solicited proposal**: A proposal submitted to an agency in response to an RFP or a program announcement that outlines specific guidelines or criteria.

14. **Matching funds**: A percentage of the project costs that must be supplied by the grantee in order to receive agency funding. In the case of a federal grant, the matching funds must usually come from non-federal sources. An institution often tries to obtain matching funds from an outside organization, such as a foundation; however, it may use its own funds for this purpose.

15. **Cost sharing**: Financial contribution by an institution to a project supported primarily by a grant or project.

16. **Direct costs**: Those costs that can be identified specifically with a particular research project, an instructional program, or any other institutional activity. Typical direct costs chargeable to a contract/grant agreement are the compensation of employees for performance or work under the contract/grant, including related staff benefit and pension plan costs, costs of materials used for the project or activity, and other items of expense incurred for the contract/grant (travel, equipment, use of computer time, etc.).

17. **Facilities & Administrative Costs (F&A)**: Those costs which are not readily identifiable with a particular project or activity but which are necessary to the general operation of the organization and the conduct of that activity it performs. F&A costs include: cost of operating and maintaining buildings and equipment, depreciation, administrative salaries, general telephone expenses, general travel and supplies expenses. The F&A **cost rate** is a device for determining that proportion of an organization’s general expenses each of its projects should bear. The rate is a ratio between the total F&A expenses of an organization and
some direct cost base, usually either direct salaries and wages or total direct costs exclusive of capital expenditures. Each institution negotiates its rate with one agency of the federal government. Costs are then reimbursed to an organization based on its established rate as part of the costs of individual grant or contract with any federal agency. (Formerly known as Indirect Costs.)

18. **FTE (full-time equivalent) enrollment**: The equivalent number of students enrolled on a full-time basis, determined by dividing the total number of credit hours for which all students are enrolled by the average number of credit hours in a full-time load.

19. **Fiscal Year (FY)**: The year from October 1 to September 30 on which the Federal budget operates.

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**Legislative**

1. **Authorization**: Legislation that gives an agency or program the authority to operate for a specific amount of time. Describes the intent of the program, often establishes program priorities, and indicates who is eligible to receive the benefits of the program. In addition, it establishes maximum funding levels. Before a program can operate, however, it must receive an appropriation from Congress.

2. **Appropriation**: Legislation that indicates the actual amount of funds granted by law to an agency or program in a given fiscal year. This amount may not exceed the authorized level, but may be the same or less (is usually less).

3. **Continuing Resolution**: Legislation that extends an authorization or appropriation for a given amount of time beyond the expiration date of the original legislation. It is most often used to allow an agency to continue operating in a new fiscal year at the budget level of the previous year until the Congress votes a new appropriation.

4. **Deferral**: A request by the President that appropriated funds not be spent for a specified period of time. It is in effect (i.e., the funds are not spent) until either the House or the Senate adopts a resolution disapproving the request. The deferral may not go beyond the end of a fiscal year.

5. **Extension**: Legislation that allows an agency to continue operating for a given amount of time after its authorizing legislation has expired.