

Glossary of Terms

Accounting is the process to capture, record, review, summarize and report financial data.

Audit – A review of the organizations financial statements, fiscal policies and control procedures to determine if the statements fairly represent the organizations financial position and if organizational procedures are in accordance with Generally Accepted Accounting Principles (GAAP).

Audit Resolution Process - The resolution of all audit findings on grants, contracts, and cooperative agreements, including those contained in pre-award reviews of proposed contracts.

Bookkeeping - The simple recording of transactions.

Budget is a financial plan of action that is based on organizations objectives and historical costs. Mechanism can help to ensure actual costs do not exceed planned amounts.

Chart of Accounts- The formal listing of all the items that need to be accounted for. They are numbered and grouped according to whether they are assets, liabilities, fund balance, revenues or expenses.

CFDA number – The number assigned to a Federal program in the Catalog of Federal Domestic Assistance (CFDA). The CFDA number for AmeriCorps is 94.006.

Circular – Method used by the Office of Management and Budget (OMB) to communicate instructions or information to federal agencies. A complete listing of current OMB Circulars can be found at <http://www.whitehouse.gov>.

Cost Allocation Plan - A narrative description of the procedures that will be used in identifying, measuring and allocating all costs to the programs administered by the organization.

Cost Sharing - Expenditures made by an organization with its own funds or resources, or those donated to allow it to bear a share of the cost of meeting a predetermined cost objective; means that portion of project or program costs not borne by the Federal Government.

Direct Cost – A cost that can be related directly to a specific function or service.

DUNS Number – A D&B® D-U-N-S® Number is a unique nine-digit sequence recognized as the universal standard for identifying and keeping track of businesses worldwide. The U.S. government requires their suppliers and contractors to have a D-U-N-S Number.

Employer Identification Number (EIN) – A nine-digit number assigned by the Internal Revenue Service. All organizations have an EIN.

Financial Statements – Standard reports usually including an income statement, a balance sheet and a statement of changes in financial position.

Fiscal Year – The 12-month period of time during which revenues and expenses are tallied. This period of time does not have to correspond to the calendar year.

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Fringe Benefit – Benefits to an employee other than salary or wages which can include tax withholdings (Federal, State, FICA, Med tax, and unemployment insurance), health insurance, dental insurance, pension plans and workers compensation insurance.

GAAP (Generally Accepted Accounting Principles) – Conventions, rules and procedures that define general accounting practice, including broad guidelines as well as detailed procedures.

GASB (Government Accounting Standards Board) – Federal oversight agency for accounting rules and procedures as they pertain to federal agencies or federal funds.

General Ledger – A book or file in which each account listed in the chart of accounts has a separate page or itemization. This is the central hub of an accounting system, which allows an organization to report on all accounting transactions.

Grant Year – The period of time identified in the grant award that provides for a beginning and ending date for allowable costs to be incurred in relation to the grant.

Indirect Cost – A cost that is not directly attributable to a particular function or service. These costs are often also characterized as administrative/overhead costs.

Indirect Cost Proposal – The documentation prepared by a grantee organization to substantiate its claim for the reimbursement of indirect costs. This proposal provides the basis for review, audit, and negotiation leading to the establishment of the organization's indirect cost rate(s).

Indirect Cost Rate – The ratio, expressed as a percentage, of an organization's total indirect costs to its direct cost base (commonly direct salaries and wages).

In-kind contributions - Donated goods or serviced on non-cash made by a third party.

Internal Controls – Includes various methods to safeguard assets, ensure reliability of accounting data and comply with management policies, and funding conditions.

Matching - Expenditures made by an organization with it own funds or resources, or those donated to allow it to bear a share of the cost of meeting a predetermined cost objective; means that portion of project or program costs not borne by the Federal Government.

Office of the Inspector General – An office in each federal agency mandated by Congress with the responsibility for each federal department efforts to prevent fraud, abuse and waste.

Office of Management and Budget (OMB) - Federal Agency that oversees and approves Financial data and forms for the government.

Variable Cost – Costs within an annual budget that fluctuates within the time period, depending on usage. An example would be the cost of supplies, specifically textbooks for students.