



Glossary of Key Terms for Federal Financial Assistance

*This document is intended to clarify key terms related to federal financial assistance that are relevant to the Oregon Department of Forestry (ODF) Urban and Community Forestry (UCF) subaward programs. A more complete list of definitions related to Federal financial assistance can be found in the Code of Federal Regulations Title 2 (2 CFR). **Note: This document may be updated to conform with future changes in federal requirements, to provide additional definitions, or to respond to questions from prospective applicants.***

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

Budget: The financial plan for the Federal award 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 narrative: A detailed justification of programmatic relevance for each line item in the budget. It provides context and reasoning behind the anticipated expenditures presented in the budget, as well as the basis of the cost estimate (i.e., how the budget number was determined to be fair and reasonable) for each line item.

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 § 200.344.

Contract: For the purpose of Federal financial assistance, a legal instrument by which a recipient or subrecipient purchases property or services needed to carry out the project or program under a Federal award.

Contractor: An entity that receives a contract as defined in this section.

Indirect costs: Costs not readily identified with a specific project or organizational activity that are incurred for the joint benefit of both projects and other activities. Examples of indirect costs include the portion of facility operation and maintenance, rent, utilities, and administrative staff supporting this specific program/project, as well as supplies like printers or computers that are used for more than the funded subaward program/project.

Line item: A single expense category within a budget category.

Local government: any unit of government within a state, including the following : 1) County; 2) Borough; 3) Municipality; 4) City; 5) Town; 6) Township; 7) Parish; 8) Local public authority, including any public housing agency under the United States Housing Act of 1937; 9) Special district; 10) School district; 11) Intrastate district; 12) Council of governments, whether or not incorporated as a nonprofit corporation under State law; and 13) Any other agency or instrumentality of a multi-, regional, or intra-State or local government.

Modified Total Direct Costs: All direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and up to the first \$25,000 of each subaward. 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 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.

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.

Pass-through entity: A non-Federal entity that provides a subaward to a subrecipient to carry out part of a Federal program. ODF is the pass-through entity for this subaward program.

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. ODF makes subawards of federal funding through subaward agreements with subrecipients.

Subrecipient: An entity, usually but not limited to non-Federal entities, that receives a subaward from a pass-through entity to carry out part of a Federal award; but does not include an individual that is a beneficiary of such award. A subrecipient may also be a recipient of other Federal awards directly from a Federal awarding agency. When ODF awards funds to an applicant and executes a subaward agreement, the applicant becomes a subrecipient.