

# **Annex II**

Glossary of Terms and Acronyms

## Annex II—Glossary of Terms and Acronyms

\*USAID-specific

\*\*HHS-specific

### A

**A-122**—This U.S. Office of Management and Budget Circular -- “Cost Principles for Non-profit Organizations” -- establishes principles for determining costs of grants, contracts and other agreements with non-profit organizations. The principles are designed to provide that the U.S. Government bear its fair share of costs except where restricted or prohibited by law.

**A-133**—This U.S. Office of Management and Budget Circular -- “Audits of States, Local Governments and Non-Profit Organizations”-- sets forth standards for obtaining consistency and uniformity among U.S. Government (USG) agencies for the audit of States, local governments, and non-profit organizations expending USG awards. Currently, for U.S. based organizations the threshold for an A-133 audit is \$500,000 per annum and for non- U.S.- based organizations the threshold is \$300,000 per annum.

**Accrual Accounting System**—An accounting method that records financial events based on economic activity rather than on financial activity. Under accrual accounting, revenue is recorded when it is earned and realized, regardless of when actual payment is received. See also **Cash-Basis Accounting System**.

**Acquisition**—A USG purchase or contract to obtain something for its own use. This includes products, commodities or services. See also **Assistance**.

**Activity Manager or “Field Activity Manager”**—For NPI, the USG representative designated to serve as an organization’s in-country point of contact. This person may be from any of the USG agencies involved with PEPFAR implementation in your country.

**ADS**—The Automated Directives System (ADS) encompasses the totality of USAID’s regulatory body. Additionally, it includes suggested but not mandatory procedures and links to examples of best practices.

**AED**—The Academy for Educational Development.

\* **Agreement Officer (AO)**—The agency official with the authority to enter into, administer, terminate, and/or close out agreements and make related decisions and findings on behalf of the agency.

**Allocable Cost**—A cost incurred specifically to support or advance the award.

**Allowable Cost**—An incurred cost determined to be an acceptable charge to the USG.

\* **AO**—Agreement Officer, the USAID official with the authority to enter into, administer, terminate, and/or close out assistance agreements and make determinations and findings on behalf of the agency.

\* **AOTR**—Agreement Officer’s Technical Representative (formerly referred to as the CTO, Cognizant Technical Officer. Under a contract, this position is referred to as the COTR, or Contracting Officer’s Technical Representative). The agency official responsible for monitoring a grantee’s progress toward achieving the agreement’s purpose and for serving as technical liaison between the grantee and the Agreement Officer (AO). In USAID, the AO will name and delegate authority for the specific responsibilities to the AOTR named in your Cooperative Agreement.

**APR**—Annual Performance Report. Report due upon completing of the implementation of your annual workplan. See also **SAPR**.

**APS**—Annual Program Statement, a funding solicitation that allows the USG to make multiple awards over a period of time.

**Assistance**—USG funding to an individual or an organization to achieve a public purpose. See also **Acquisition**.

- \* **Assistance Objective Team**—The USAID group that makes a preliminary determination on the duration and type of funding instrument.
- Audit**—An independent review and examination of system records and activities.
- Audit Package**—A package of forms and information that includes the findings of an audit and a corrective action plan to address each finding in the auditor’s report.
- Award Amount (or Award)**—The total amount that is anticipated to be spent over the life of the project. See also **Obligated Amount**.
- Award Ceiling**—The total amount that is anticipated to be spent by the USG over the life of an award.

## B

- Baseline**—A baseline assessment gives a snapshot of the community or targeted beneficiary group prior to the start of a project.
- Beneficiary**—The individual, group, or organization, whether targeted or not, that benefits, directly or indirectly, from the development intervention.
- Board of Directors**—The group governing the overall direction and mission of an organization.
- Brand**—A visual representation of the product or service, such as a logo or graphic that is easily recognizable. It is your program or project’s “signature.”
- Branding**—The process of developing an identity for a product or service using images and words to evoke a positive emotional response in beneficiaries, which are influenced by their interactions with the implementation of the brand (promotion, customer service, other customers, etc.). See also **Marking**.
- \*\* **Budget Period**—The increment of time that the funding is approved for, often a subset of the entire project period.
- Burn Rate**—The rate at which the organization is spending the obligation. See also **Pipeline**.

## C

- CAP**—Capable Partners Program. CAP works to strengthen the organizational and technical capacities of non-governmental organizations (NGOs), community-based organizations (CBOs), faith-based organizations (FBOs), intermediary support organizations (ISOs), and NGO networks across technical sectors. CAP provides technical assistance, training, and grants management to USAID Missions and operating units to enhance their NGO programs. Competitively awarded by USAID Washington to AED, no additional competition is needed to execute an Associate Award under CAP.
- Capacity Building**—Strengthening the ability of an organization to manage itself and achieve its mission effectively.
- Cash-Basis Accounting System**—A method of bookkeeping that records financial events based on cash flows and cash position. Revenue is recognized when cash is received, and expense is recognized when cash is paid. In cash-basis accounting, revenues and expenses are also called cash receipts and cash payments. Cash-basis accounting does not recognize promises to pay or expectations to receive money or service in the future, such as payables, receivables, and pre-paid or accrued expenses. This is simpler for individuals and organizations that do not have significant numbers of these transactions, or when the time lag between initiation of the transaction and the cash flow is very short. See also **Accrual Accounting System**.
- CBO**—Community-Based Organization.
- CDC**—The Centers for Disease Control and Prevention (an agency under HHS).

- CFR**—Code of Federal Regulations, the codification of the general and permanent rules published in the Federal Register by the executive departments and agencies of the USG.
- Close Out**—Final phase of a project in which activities are finalized and administrative tasks completed.
- Commodity**—Any item that can be bought or sold, usually a product or raw material (lumber, wheat, coffee, metals, etc.).
- Communication**—The process of transmitting ideas and information about the nature of your organization and the issues with which it deals. An ongoing, core activity that is key to sustaining an organization. See also **Marketing**.
- Contract**—The mechanism the USG uses in awarding acquisitions.
- Cooperative Agreement**—One of two methods the USG uses to provide assistance. The USG uses this method when it wishes to retain substantial involvement in a project. See also **Grants**.
- COP**—Country Operational Plan. The annual program plan developed by each PEPFAR in-country team.
- Cost Objective**—Cost limit of an activity within budget limits. A project cannot exceed the cost objective that has been set for it.
- Cost Share**—The portion of project or program costs not covered by the USG. This may be in the form of cash or in-kind contributions. See also **Matching Funds**.
- \*\* COTR**—Contracting Officer’s Technical Representative, the official at HHS responsible for the programmatic and technical aspects of an agreement.
- \* CTO**—Cognizant Technical Officer (outdated term, replaced by either AOTR, Agreement Officer’s Technical Representative, or COTR, Contract Officer’s Technical Representative).

## D

- Debarment**—An action taken by a debarring official to exclude a contractor from Government contracting and Government-approved subcontracting for a reasonable, specified period; a contractor so excluded is “debarred.”
- DEC**—USAID’s Development Experience Clearinghouse, the largest online resource of USAID-funded technical and program documentation.
- Direct Costs**—Goods and services specifically purchased for the exclusive benefit of one project that are charged to that project.
- Disallowed Cost**—An incurred cost questioned by the audit organization that USAID has agreed is not chargeable to the government.
- Due Diligence**—The necessary assessment of the past performance, reputation, and future plans of a prospective partner or other entity, with regard to various business practices and principles. This would normally involve, at a minimum, examining their social, environmental, and financial track records.
- DUNS Number**—A unique nine-character number assigned free for all businesses required to do business with the U.S. Government for contracts or grants (see <http://fedgov.dnb.com/webform>).

## E

- \*\* EIN**—Employer Identification Number, used by HHS to facilitate payment for your award.
- Excluded Parties List**—A database of various organizations that are not eligible to receive USG funds. Recipients are responsible for using this online database to check vendors prior to making any purchases.

**External Relations**—Refers to the efforts of an organization to enhance communications, foster relationships, and build public understanding and support for the organization and its work.

## F

**FAR**—Federal Acquisition Regulations, the body of U.S. laws that govern the USG’s procurement process.

**FBO**—Faith-Based Organization.

**Federal**—Pertaining to U.S. Government.

**Federal Audit Clearinghouse**—An office within the USG in charge of receiving, processing, and distributing to USG agencies the Single Audit reporting packages of thousands of recipients of USG funding.

**Federal Financial Report (FFR)**—Also known as SF-425, a new USG financial reporting form that replaces, and consolidates into a single form, the two most common USG financial reports—the Financial Status Report and the Federal Cash Transaction Report.

**Finding**—The answer to an audit objective that is supported by sufficient, competent, and relevant evidence.

**Fiscal Year**—Sometimes called a financial year or budget year. A period used for calculating annual (“yearly”) financial statements in businesses and other organizations. It may or may not correspond to the calendar year, which is January 1 through December 31. The USG fiscal year covers a 12-month period that begins October 1 and ends the following September 30.

**FM (or FMO)**—Your Agency’s Financial Management Office.

**Foreign Tax Report**—The report that all USG recipients must fill out annually to report the Value Added Tax (VAT) that was paid to the host government. The reports are used to ensure that U.S. foreign assistance is not being taxed.

**Fundraising**—The process of soliciting and gathering contributions (money or other resources), by requesting donations from individuals, businesses, charitable foundations, or governmental agencies.

## G

**Generally Accepted Accounting Procedures (GAAP)**—A standard framework of guidelines for accounting and financial reporting. It includes the standards, conventions, and rules accountants follow in recording and summarizing transactions and in preparing financial statements.

**Geographic Code**—The code that USAID assigns to grantees to designate the specific countries from which they are authorized to purchase goods and services.

**Gift**—Any gratuity, favor, discount, entertainment, hospitality, loan, forbearance, or other item having monetary value. It includes services as well, such as gifts of training, transportation, local travel, lodging, and meals, whether provided in-kind, by purchase of a ticket, payment in advance, or reimbursement after the expense has been incurred.

**\*\* GMO**—Grants Management Officer, the HHS official responsible for business management and other nonprogrammatic aspects of an award.

**\*\* GMS**—Grants Management Specialist, assists the GMO by performing day-to-day activities on behalf of the GMO and is usually the primary point of contact for the recipient when dealing with grant-related issues.

**Governance**—The process of providing overall vision, direction, purpose and oversight to an organization through a structure—a Board of Directors—separate from the day-to-day management of the organization.

**Grant**—A method the USG uses to provide assistance. Under grants, the USG retains less control over the program, compared to Cooperative Agreements.

**\*\*Grants Management Officer (GMO)**—The official responsible for business management and other nonprogrammatic aspects of an award.

**\*\* Grants Management Specialist**—The official who assists the GMO by performing day-to-day activities on behalf of the GMO and is usually the primary point of contact for the recipient when dealing with grant-related issues.

## H

**HHS**—The U.S. Department of Health and Human Services.

**HIV/AIDS**—HIV—Human Immunodeficiency Virus, a virus that can infect people and destroy their immune system, the body’s mechanism for fighting infection. AIDS—Acquired Immune Deficiency Syndrome, the illness that results in the body’s inability to fight infection.

**Horizon**—The amount of time an organization will look into the future when preparing a strategic plan.

**HRSA**—The Health Resources and Services Administration (an agency under HHS).

**Human Resources**—Refers to how employees are managed by organizations, or to the personnel department charged with that role.

## I

**Impact**—Identifiable, measurable results of project activities.

**Incidental Expenses**—Expenses incurred during travel, such as gratuities and tips for services, laundry, toiletries, etc.

**Indicator**—A specific data point you track to monitor program progress. There are standard PEPFAR indicators, in-country standard indicators, and your own program-specific indicators. At a minimum, you must track and report on all PEPFAR and in-country standard indicators relevant to your program. An example of an indicator is the “Number of pregnant women who received HIV counseling and testing for PMTCT and received their test results.” See also **Target**.

**Indirect Costs**—Costs that are required to carry out a project, but are difficult to attribute to a specific project, such as electricity or administrative support staff. If a NICRA (Negotiated Indirect Cost Rate Agreement) is established, include the rate and how it is calculated. Also state whether the NICRA is the provisional or final rate. See also **NICRA**.

**In-Kind Contribution**—Noncash resources contributed to a project; may include volunteer services, equipment, or property.

**International Travel**—Any travel between two countries.

## J

**JSI**—John Snow, Inc.

## K

**Key Personnel**—Individuals directly responsible for managing the contract, or those personnel whose professional/technical skills the AOTR/COTR certifies as being essential to the success of the program and identified in the Cooperative Agreement.

## M

- M&E**—Monitoring and Evaluation, the process of collecting and analyzing data and information for the purpose of identifying and measuring a project’s impact.
- M&IE**—Meals and Incidental Expenses incurred during travel, such as breakfast, lunch, dinner, gratuities and tips for services, laundry, toiletries, etc.
- Management**—The day-to-day operation of the organization. See also **Governance**.
- Management Decision**—The evaluation of a recommendation by management and a decision on an appropriate course of action.
- \* Mandatory Standard Provisions**—Set of rules and regulations that must be followed by recipients of USAID funds. (For more information, go to [www.usaid.gov/policy/ads/300/303mab.pdf](http://www.usaid.gov/policy/ads/300/303mab.pdf).)
- Marketing**—The processes and activities that contribute to your organization’s public image that, when developed effectively—and reinforced by the good work of your staff—help earn the trust and confidence of beneficiaries, local leaders, and donors. See also **Communication**.
- Marking**—Applying graphic identities or logos to program materials or project signage to visibly acknowledge contributors; identifies organizations supporting the work.
- Matching Funds**—A percentage or fixed amount of non-USG resources that some donors require recipients to provide for a project to be eligible to receive USG funds. See also **Cost Share**.
- Mission**—The USAID body of persons sent to perform a service in a cooperating country.
- Modification**—Changes requested over the life of your award, such as additional obligations, program alterations, and changes in Key Personnel, which require approval.
- MOU**—Memorandum of Understanding, a document describing an agreement between parties, usually less formal than a contract.
- Monitoring and Evaluation (M&E)**—The process of collecting and analyzing data and information for the purpose of identifying and measuring a project’s impact.

## N

- NGO**—Non-Governmental Organization.
- NICRA**—Negotiated Indirect Cost Rate Agreement (it is a rate negotiated individually between an organization and the USG to cover indirect cost.)
- \*\* NoA**—Notice of Award, the common term for HHS awards, applies to both grants and Cooperative Agreements.
- No-Cost Extension** (also called a Non-Funded Extension)—When the recipient requests and is given additional time beyond the award end date to use unspent funds from the original award to complete activities.
- NPI**—New Partners Initiative, launched in 2005 on World AIDS Day, is a US\$200 million program created under the U.S. President’s Emergency Plan for AIDS Relief (PEPFAR) that seeks to provide treatment for 2 million HIV-infected people; prevent the infection of 7 million people with HIV; and care for 10 million people infected and affected by HIV/AIDS in 15 focus countries.

## O

**Obligated Amount** (or Obligation)—The amount the USG has committed to the program. There is no guarantee that the USG will reimburse the recipient for any spending above the obligated amount. See also **Award Amount**.

**OGAC**—Office of the U.S. Global AIDS Coordinator.

\* **OHA**—USAID Office of HIV/AIDS.

**Origin**—Where an item was originally grown or manufactured. See also **Source**.

**OVC**—Orphans and Vulnerable Children.

## P

**Partner**—An organization that is part of an alliance intended to maximize contributions of all participating organizations for the purpose of improved performance in implementing project goals.

\*\* **PD**—Program or Project Director, HHS term for the key, day-to-day, technical contact at the recipient organization.

**PEPFAR**—President’s Emergency Plan for AIDS Relief, initially a \$15 billion initiative over the first five years (2003–2008) from U. S. President George W. Bush to fight the global HIV/AIDS pandemic. A second phase of PEPFAR was signed into law on July 30, 2008, authorizing up to \$48 billion over the next 5 years (2009–2013) to continue to combat global HIV/AIDS, tuberculosis, and malaria. [www.pepfar.gov/index.htm](http://www.pepfar.gov/index.htm)

**Per Diem**—The maximum amount of money that the USG allows an individual to be reimburse for per day to cover lodging and meals and incidental expenses (M&IE) when traveling on behalf of a project.

**Pipeline**—The amount of funds obligated but not yet spent. It is calculated by adding up all of the funds spent to date and subtracting that amount from the total obligation to date. See also **Burn Rate**.

**PLWHA**—People Living with HIV and AIDS.

**PMTCT**—Prevention of Mother to Child Transmission.

\*\* **PO**—Program Officer, the HHS official responsible for the programmatic and technical aspects of the agreement.

**Pre-Award Survey**—A review of an organization’s financial system to determine whether the system meet the minimum requirements of your funding agency before funding is awarded.

**Prime (recipient)**—The recipient of USG funding that directly receives the funds and is ultimately responsible for accurate completion of each reporting cycle and program targets.

**Prior Approval**—Written authorization from the funder.

**Procurement**—Acquiring goods and services in a fair, transparent way in accordance with applicable rules and regulations.

**Program Income**—Funds earned by the program for the benefit of the program itself. For example, program income comes from charging fees for services or from the sale of commodities. It is also earned by selling equipment purchased with program funds that is no longer needed. PEPFAR programs rarely include program income. **Note:** Program income is different from income-generating activities in which the program’s beneficiaries keep any income earned.

**Prohibited Items**—Goods or services that cannot be purchased under any circumstances. See also **Restricted Items**.

**Prohibited Source**—Any person seeking official action by the USG employee’s agency, or who does business or seeks to do business with the employee’s agency.

**\*\* Project Period**—The period of time estimated for the entire project.

**Promotion**—Any type of tactic other than advertising (for example, special events, posters, T-shirts, fliers) used by a marketer (for example, an NGO) to increase the awareness of a product, service, or idea among specific target audiences.

## R

**Reasonable Cost**— A cost that is generally recognized as ordinary and necessary and that a prudent person would incur in the conduct of normal business.

**Recipient**—An organization receiving direct financial assistance (a grant or **Cooperative Agreement**) to carry out an activity or program. See also **Subrecipient**.

**Restricted Items** (or Restricted Commodities)—Goods or services that cannot be purchased without specific written permission in advance. See also **Prohibited Items**.

**RFA**—Request for Proposals, a mechanism for contracts. Contracts may be awarded to any type of organization, though they are used frequently with for-profits.

**RFP**—Request for Applications, a mechanism for grants or Cooperative Agreements, which means that it anticipates funding activities with limited oversight. RFAs are the most common means of soliciting applications from NGOs.

## S

**SAPR**—Semi-Annual Performance Report (sometimes pronounced “Sapper”). Report due six months into the implementation of your annual workplan that updates the USG on your project’s progression. See also **APR**.

**SF-270**—Standard Form 270 Request for Advance, used to request funds for a grant or Cooperative Agreement.

**SF-425**—Standard Form 425 Federal Financial Report, used to prepare financial reports for a grant or Cooperative Agreement.

**Shared Project Costs**—Goods and services benefiting multiple projects and for which a vendor cannot invoice each project separately; therefore, the costs are charged to each benefiting project based on a pre-approved formula.

**Significant Rebudgeting**—Moving funds between budget categories above a certain threshold set by your funding agency.

**Small Purchase Threshold**—The amount your organization sets under which your procurement process may be simplified. For example, if your small purchase threshold is \$1,000, you may be required to secure a minimum of three bids on items above that amount, but not on items equal to or below that amount. There is no USG requirement concerning what that amount should be.

**Source**—Where you procure an item or a service, regardless of where it was originally manufactured. This is generally the location of the vendor. See also **Origin**.

**SOW**—Scope (or Statement) of Work.

**Standard Budget Categories**—Nine standard categories the USG suggests all awardees use, including Personnel, Fringe Benefits, Travel, Equipment, Supplies, Contractual, Construction (sometimes replaced with “program costs” for non-construction projects), Other and Indirect Costs (NICRA).

**Strategic Planning**—An organization’s process of determining its direction or strategy and making decisions related to pursuing it. According to an adaptation from the *Field Guide to Nonprofit Strategic Planning and Facilitation*, “Simply put, strategic planning determines where an organization is going over the next year or more, how it’s going to get there and how it will know if it got there or not.”

**Subaward**—Funding issued to an organization through an intermediary that manages the funds for the original funder.

**Subrecipient** (or “Sub”)—An organization receiving financial assistance to carry out an activity or program through a primary recipient (or other subrecipient). See also **Recipient**.

**Substantial Involvement**—The right the USG retains to maintain some control over an assistance project funded through a Cooperative Agreement. This right usually includes the ability to approve workplans, budgets, Key Personnel, monitoring and evaluation plans and subrecipients. The areas of substantial involvement are specified in the agreement.

## T

**TA**—Technical Assistance.

**Target**—An estimated number of beneficiaries you expect to reach for a particular indicator within a defined period.

**Terms of Reference**—Terms that describe the purpose and structure of a project, usually created during the early stages of project management. Also see Scope of Work (SOW).

**Total Estimated Cost**—The total projected cost of your project included in your Cooperative Agreement.

## U

**Unallowable Costs**—Costs that cannot be reimbursed either because of regulations or because the cost is not reasonable or appropriate.

**Unit Cost**—The actual cost of your program divided by the actual number of targets reached. For example, a \$100,000 prevention program that reaches 1,000 people has a unit cost of \$100 per person reached.

**USAID**—United States Agency for International Development, an independent USG agency that supports long-term and equitable economic growth and advances U.S. foreign policy objectives.

**USG**—United States Government.

## V

**VAT**—Value-Added Tax, levied on the purchase of goods and services, similar to the U.S. sales tax.

**VCT**—Voluntary Counseling and Testing.

**Vehicle**—“[S]elf-propelled vehicles with passenger carriage capacity, such as highway trucks, passenger cars and buses, motorcycles, scooters, motorized bicycles and utility vehicles” (22 Code of Federal Regulations 228.13 [b]).

## W

**Waiver**—The written permission required to eliminate the requirements of a specific policy. Authorized individuals, such as AOs and AOTRs, may grant waivers to meet specific project needs.

**Workplan**—Document that lays out your planned activities, resources required, and targets.