

# Key Terminology and Concepts

## Allocable Costs

Costs associated with goods or services that can be directly assigned to a sponsored award based on the benefit they provide to the award.

## Allowable Costs

Costs that can be directly charged to a sponsored award, used to meet a cost share requirement, or be included in the indirect cost rate calculations. A cost is allowable only if it is necessary, reasonable, and allocable to the award.

## Base Salary

The annual compensation paid for an employee's appointment before any additions or deductions are applied.

## Cognizant Agency for Indirect Costs

The federal agency responsible for reviewing, negotiating, and approving indirect cost proposals on behalf of all federal agencies.

WCU's Cognizant Agency is the Department of Health and Human Services  
DHHS Representative: Wheatford Ashby at (214) 767-3261

## Committed Cost Share

Cost share that is committed in the proposal and becomes required at the time of award.

## Consortium Agreement

A formalized agreement where a sponsored project is done by the recipient and one or more other separate legal entities organizations. Subawards and subcontracts are types of consortium agreements.

## Consultant

An individual who provides expert advice or services for a fee. Consultant services are typically temporary and highly specialized or technical.

## Contractor/Vendor

Any supplier of goods or services according to the terms of an agreement or contract.

## Cost Share (aka Matching)

The portion of total project costs not borne by the sponsor.

## Course Buyout

When award funds are used to pay for a portion of an investigator's salary so that the equivalent amount of effort can be spent on sponsored or funded activities.

## Direct Costs

The direct costs are those that can be specifically and easily identified with a particular project or activity and are allowable under the sponsoring organizations guidelines.

Direct costs can include Salaries/Wages, Fringe Benefits, Materials and Supplies, Equipment, Travel, Publication Costs, Consultants, and Participant Support Costs.

## Effort

Amount or percentage of time an individual works on a specific sponsored project over a specified period of time.

## Equipment

Tangible property that has a useful life of more than two years and a per-unit acquisition cost which equals or exceeds the federal capitalization threshold of \$5,000.

Equipment used throughout a project should be budgeted in an early budget period to ensure full benefit.

## F&A (aka Indirect Costs)

Facilities & Administrative (F&A) Costs are the costs that are incurred by a grantee for common or joint objectives that cannot be identified specifically with a particular project or program. These costs are also known as “indirect costs (IDCs)” or “overhead.”

Total F&A costs are calculated by applying the negotiated F&A rate to the appropriate base.

WCU’s federally negotiated Indirect Cost Rates are as follows:

Rate Type	Rate	Base*
On-Campus	47.6%	MTDC
Off-Campus	19.3%	MTDC

\*MTDC = Modified Total Direct Cost. See MTDC definition below.

## Fringe Benefits

An extra benefit supplementing an employee’s normal salary, including health insurance, workers’ compensation, retirement, and unemployment.

Western Carolina University’s fringe rates are as followed:

State Retirement (TSERS)	
Retirement	24.04%
Unemployment	1.00%
Social Security	7.65%
Total	32.69%

Optional Retirement (ORP)	
Retirement	13.96%
Unemployment	1.00%
Social Security	7.65%
Total	22.61%

Part-Time and Student Personnel	
Unemployment	1.00%
Social Security	7.65%
Total	8.65%

An additional \$8,095 is added to Full-Time employees during the academic year to cover the cost of medical insurance.

## Grant Lifecycle



### In-Kind Contribution

A contribution of a good or service other than money. Examples include volunteer labor and donated goods or services.

### Mandatory Cost Share

Matching contributions required by a sponsor as a condition for making an award.

### Maximum Compensation (Max Comp)

The maximum amount of institution base salary that may be used in calculating the amount of an individual's salary to be charged to a sponsored award.

### Modified Total Direct Costs (MTDC)

An indirect cost base with a select group of direct costs that typically excludes capital equipment, the portion of each subaward over \$25,000, participant support, tuition, and other select costs.

### Negotiated Indirect Cost Rate Agreement (NICRA)

The document that details the indirect cost rate negotiated between the federal government and a grantee or contractor organization.

### [WCU Negotiated Indirect Cost Rate Agreement](#)

### NOFO

Notice of Funding Opportunity

### Pass-Through Entity (PTE)

An organization that receives federal funds for a sponsored project and distributes or “passes” a portion of those funds and the corresponding work to another entity.

### 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.

### Period of Performance

Total estimated time interval between the start of an award and the planned end date during which the awardee is expected to complete award activities and to incur and expend approved funds.

### Person-Month

The metric used to express the amount of personnel effort devoted to a specific project. Effort is based on the organization’s regular academic year, summer, or calendar year.

### Program Announcement

A publicly available document by which a sponsoring agency makes known its intentions to award discretionary funds, usually as a result of a competition for funds.

### Reasonable Costs

Costs associated with goods or services that by their nature and price reflect the action that a prudent person would have taken given the prevailing circumstances at the time the decision to incur the cost was made.

### RFP

Request for Proposals

### Salary Cap

When a sponsor has set a limit on the amount of salary that can be charged on a grant.

### Salary Request

The amount of money an employee requests from a sponsor, excluding fringe benefits and F&A.

### Salary Subtotal

The total salary (salary request plus fringe benefits) that is being requested from a sponsor.

### Scope/Statement of Work (SOW)

A document that details the work or tasks to be performed, deliverables to be provided, and dates the deliveries are to be made under a sponsored agreement or subrecipient agreement.

### Senior/Key Personnel

The Principal Investigator (PI) and other individuals who contribute to the scientific development or execution of a sponsored project in a substantive, measurable way.

### Sponsor or Sponsoring Agency

The entity (or Agency) that financially supports a project or program.

### Sponsored Award

Funding from an external entity for an activity with a defined scope and purpose. External entities may include federal, state, and local governments, for- and non-profit agencies, associations, and other institutions of higher education.

### Sponsored Project

An activity that is sponsored or funded by an external entity or organization.

### Subaward/Subcontract

An award/contract provided by a pass-through entity to a subrecipient to carry out a part of an award/contract.

### Subrecipient

A non-federal entity that receives a portion of project funding from a pass-through entity to carry out a portion of a sponsored project.

### Third-Party Cost Share

Cost share provided by a party other than the applicant.

### Total Project Cost

The total project cost is the sum of total direct costs and total F&A (indirect) costs.

### Unallowable Costs

Costs that cannot be directly charged to a sponsored award, used to meet cost share requirements, or be included in the indirect cost rate calculations.

### Uniform Guidance (UG)

Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award

Review the Uniform Guidance surrounding grants and agreements here: [2 CFR § 200](#)

### Voluntary Cost Share

Contributions to a project provided by the applicant that are not required by the sponsor.