



Understanding Key Terms in a Notice of Funding Opportunity (NOFO)

This quick guide provides clear definitions of common terms found in a Notice of Funding Opportunity (NOFO). Understanding these terms is essential for applicants to ensure compliance, proper budgeting, and successful grant management.

A Guide to Common Definitions and Their Importance	
Publish Date	DATE
Background	A NOFO outlines the requirements, expectations, and conditions for applying for federal funding. It is crucial for applicants to understand the terminology used in a NOFO to accurately assess eligibility, prepare applications, and manage awarded funds.
Key Components	<p>Key Definitions</p> <p>Applicant: The entity submitting the application for funding. This can be a nonprofit, government agency, educational institution, or other eligible organization.</p> <p>Allowable Costs: Expenses that are permitted under the terms of the award and federal regulations (typically 2 CFR Part 200).</p> <p>Civil Rights and Title VI: As a condition of federal grant award, grant recipients should demonstrate that the recipient has a plan for compliance with civil rights obligations and nondiscrimination laws, including Title VI of the Civil Rights Act of 1964 and implementing regulations (49 CFR § 21), the Americans with</p>

Disabilities Act of 1990 (ADA), and Section 504 of the Rehabilitation Act, all other civil rights requirements, and accompanying regulations.

Contractor: An entity that provides goods or services to the applicant for the benefit of the project but does not carry out programmatic work. Contractors are subject to procurement rules, not program compliance.

Cost Sharing / Match: The portion of project costs not covered by federal funds. This may be required as a condition of the award and can be cash or in-kind contributions. They must be used for allowable costs.

Eligible Entity: Specifies who can apply for the funding (e.g., state governments, tribal organizations, nonprofits, higher education institutions).

Funding Ceiling / Floor: The maximum (ceiling) and minimum (floor) amount of funding that can be requested or awarded.

Funding Instrument: A funding instrument is a financial tool used to secure resources for a specific purpose, such as a project, organization, or initiative. It outlines the terms and conditions under which funds are provided and managed. Essentially, it's the mechanism that enables the transfer of funds from a provider to a recipient, often with specific requirements or repayment terms.

Funding Restrictions: This explains relevant information on the funding restrictions. The NOFO will outline these restrictions and detail what activities or purchases are allowable and unallowable.

Indirect Costs: Costs that are not directly attributable to a specific project, but support overall operations (e.g., administrative support, utilities). These may be reimbursed if allowed by the NOFO.

Objective: This is what the program plans to achieve, for example: reduced traffic fatalities or improved habitat for endangered species.

Period of Performance: The time during which the funded activities must occur. This includes the start and end dates for allowable costs and deliverables.




Program Evaluation: As a condition of grant award, grant recipients may be required to participate in an evaluation undertaken by the federal agency or another agency or partner. The evaluation may take different forms such as an implementation assessment across grant recipients, an impact and/or outcomes analysis of all or selected sites within or across grant recipients, or a benefit/cost analysis or assessment of return on investment. Recipients should incorporate program evaluation including associated data collection activities from the outset of their program design and implementation to meaningfully document and measure their progress towards meeting an agency priority goal(s).

Understanding the Impact	<p>Program Narrative: A required section of the application, which describes the project’s goals, activities, outcomes, and alignment with the funding agency’s priorities.</p> <p>Subrecipient: An entity that receives a subaward from the applicant to carry out part of a federal program. Subrecipients are subject to programmatic and financial oversight.</p> <p>System for Award Management (SAM): The System for Award Management (SAM) is a website managed by the United States General Services Administration (GSA) that serves as a central registration point for entities (businesses, individuals, etc.) who want to do business with the federal government, including applying for contracts and grants.</p> <p>Unique Entity Identifier: The Unique Entity Identifier (UEI) is a 12-character alphanumeric code assigned by SAM that uniquely identifies each entity registered in the system. It replaced the Data Universal Numbering System (DUNS) number in April 2022 as the primary identifier for federal awards.</p>
	<p>Understanding these key terms is crucial for applicants to ensure they meet eligibility requirements, properly allocate costs, and comply with federal regulations. Misinterpretation or lack of knowledge can lead to denied grant applications, disallowed costs, audit findings, and potential loss of funding.</p>
	<p>Applicants should familiarize themselves with the definitions and requirements outlined in the NOFO. It is recommended to consult with grants management professionals, attend training sessions, and review relevant federal regulations to ensure compliance and successful grant application development and post-award management.</p>
Next Steps & Recommendations	

Additional Resources

- 2 CFR Part 200 - Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards

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