

## CARES Plus Fiscal Glossary

Term	Definition
<b>Actual and allowable net costs</b>	The costs which may be reimbursed under the Signature Program after disallowed costs and any matching amounts have been subtracted from total expenditures.
<b>Administrative costs</b>	<p>Administrative costs are shaped by the familiar concept of “overhead” or “centralized” services and are distinguished from program administration or management expenditures that qualify as direct program costs. Rather, administrative costs are incurred for common objectives that benefit programs administered by the lead agency and, as such, are not readily assignable to a particular program funding stream. Administrative costs relate to the general management of the lead agency, such as accounting, budgeting, personnel, procurement, and legal services.</p> <p>Costs related to administration may include both <b>direct</b> program charges (salary costs related to preparing program plans, developing budgets, and monitoring activities; rental or purchase of program-specific office equipment or supplies; rental and maintenance of program office space) and <b>indirect</b> charges for general administration of the program (personnel, payroll, accounting, procurement, data processing). Any cost, direct or indirect, that supports management of the program may be considered administrative in nature.</p>
<b>Allocation</b>	The term is used primarily in situations in which funding is distributed to county commissions (or lead agencies) based on a statutory formula. This term also may refer to discretionary grant or matching funds programs.
<b>Allowable costs</b>	Costs that meet the specific criteria of a funding agency.
<b>Amended contract or agreement</b>	A contract or agreement containing written, unilateral (but within the scope of changes clause), or mutually agreed upon (bilateral), changes. A contract amendment may introduce or cancel specifications or terms, or dollar amounts of an existing contract or agreement, while leaving intact its overall purpose and effect.
<b>Audit</b>	<p>An examination of documents, records, and accounts for the purpose of:</p> <ol style="list-style-type: none"><li>(1) determining the propriety of transactions;</li><li>(2) ascertaining whether all transactions are recorded properly; and</li><li>(3) determining whether statements that are drawn from accounts reflect an accurate picture of financial operations and financial status for a given period of time.</li></ol>

<b>Term</b>	<b>Definition</b>
<b>Authorized Representative (AR)</b>	A person designated by the lead agency (organization, institution, or government) to submit applications or other required documents on behalf of the lead agency. Only an AR has the authority to sign and submit applications and/or sign contracts.
<b>Award notification</b>	Official document signed by an authorized representative stating the amount, terms, and conditions of the contract or agreement award.
<b>Budget</b>	A plan of financial operation consisting of an estimate of proposed revenue and expenditures for a given period and purpose. The term typically indicates a financial plan for a single fiscal year.
<b>Budget revision</b>	Net increases or decreases to the budget. They may include increases due to new grant funds, decreases due to the need to reduce appropriations, or realignment of existing budget items to keep spending within available revenues.
<b>Cash</b>	Currency, checks, postal and express money orders, and bankers' drafts on hand or on deposit with an official or agent designated as custodian of cash and bank deposits. Any restriction or limitation as to the availability of cash must be indicated.
<b>Cash match</b>	The lead agency and its partners are required to match State funds. The recipient is required to have agreements or memoranda of understanding with each partner providing a contribution. The lead agency must retain auditable records documenting the amount and contributor of the match for a period of at least five years for audit and monitoring purposes. The "match" may include Proposition 10 local tax revenues, gifts, grants, and funds provided by a local partner that directly contribute to the Signature Program strategies and objectives.
<b>Certification</b>	Statement signed or endorsed by an authorized representative of the receiving agency as a prerequisite for receiving funds, verifying that the proposed recipient (1) meets or will adhere to certain conditions (i.e., "assurances") or (2) will undertake or not undertake certain actions
<b>Closeout</b>	Process by which First 5 California determines that all applicable administrative actions and all required work related to the award have been completed by the recipient and First 5 California
<b>Collaboration</b>	Coordinated work or activities with other entities in order to improve, share, and augment services, staff, information, and funds to meet agreed-upon or common objectives.

Term	Definition
<b>Commingled fund</b>	<p>A fund consisting of assets from several accounts that are blended together.</p> <p>A <b>commingled fund</b> mixes together assets from various accounts, providing investors with the benefits of an economy of scale. This term simply means the investors, though they each are small, can pool together to that one large network. Commingled funds are often called pooled funds for this reason.</p>
<b>Contract period</b>	<p>The time the contract is in effect as specified in the terms of the contract.</p>
<b>Contracted services</b>	<p>Expenditures for services rendered under contract by personnel who are not on the payroll of the lead agency, including all related expenditures covered by the contract.</p>
<b>Cost</b>	<p>The amount of money or its equivalent value paid or agreed to be paid for property or services. Cost may be incurred even before money is paid; that is, as soon as liability is assumed. Ultimately, however, money, or its equivalent must be given in exchange. The cost of some property or service may in turn become part of the cost of another property or service. For example, the cost of materials will be reflected in the cost of articles made from such materials.</p> <p>Cost is an amount as determined on a cash, accrual, or other basis acceptable to First 5 California. It does not include transfers to a general or similar fund.</p>
<b>County group category</b>	<p>A collection of similar counties grouped together for purposes of determining a reimbursement rational and matching funds requirement levels. (See Appendix Q.)</p>
<b>Direct service costs (or direct services)</b>	<p>Direct service costs generally include, but are not limited to:</p> <ol style="list-style-type: none"><li data-bbox="586 1400 1430 1497">1. Salaries and wages, including vacations, holidays, sick leave, and other excused absences of employees working specifically on objectives of a grant ( i.e., direct labor costs)</li><li data-bbox="586 1518 1352 1577">2. Other employee fringe benefits allocable on direct labor employees</li><li data-bbox="586 1598 1403 1656">3. Consultant services contracted to accomplish specific grant objectives</li><li data-bbox="586 1677 1068 1705">4. Travel of (direct labor) employees</li><li data-bbox="586 1726 1430 1785">5. Materials, supplies, and equipment purchased directly for use on a specific grant or contract</li><li data-bbox="586 1806 1414 1864">6. Communication costs, such as long distance telephone calls or telegrams identifiable with a specific award or activity</li></ol>

Term	Definition
<b>Disallowed costs</b>	Costs that have been incurred but are not reimbursable because they are not reasonable and/or necessary for the performance of the contract as defined by First 5 California or are otherwise non-reimbursable.
<b>Disbursements</b>	Payments by currency, check, or warrant.  The disbursements are payments of cash for expenditures. Such payments may precede the expenditures (an advance), coincide with the expenditures (a direct payment), or follow the expenditures (the payment of a liability).
<b>Encumbered funds</b>	Amounts representing future payments for current obligations or reservation of funds for future program disbursements. This refers to funding that is scheduled to be spent pursuant to a determined schedule and for an identified purchase of goods or services.
<b>Encumbrances</b>	Obligations in the form of purchase orders, contracts, salaries, and other commitments chargeable to an appropriation or accounting period for which funds must be reserved for a future disbursement.  Encumbrances are contractual obligations to make future payments. They represent the estimated amount of future expenditures that will result when, for example, purchase orders are placed and contracts are signed. Since the amount of an appropriation cannot be legally exceeded, the placing of purchase orders and the signing of contracts are critical events in controlling First 5 California's funds. The financial resources of a fund are said to be encumbered when a transaction is executed that requires performance on the part of another party before First 5 California becomes liable to perform its part of the transaction (make payment to the entity).
<b>Expenditures</b>	The costs of goods delivered or services rendered, whether paid or unpaid, including expenses, provision for debt retirement not reported as a liability of the funds from which retired, and capital outlay.  Expenditure charges are made to the project or program, which may be reported on a cash or accrual basis. They take place when a vendor or contractor has performed on a contract or a purchase order, as well as when goods or services are received. An expenditure and a corresponding liability or cash disbursement will be recorded at the time goods or services are received or at the time funds are granted to an authorized recipient.

Term	Definition
<b>Financial audit</b>	The review of the financial statements of a company or any other legal entity (including governments), resulting in the publication of an independent opinion on whether or not those financial statements are relevant, accurate, complete, and fairly presented.  A financial audit consists of a review of the financial statements of a person or an institution, to determine their accuracy.
<b>Fiscal year</b>	A period of one year, the beginning and ending dates of which are fixed. For First 5 California Signature Programs, the Fiscal Year is the period beginning July 1 and ending on June 30.
<b>Full signature</b>	The legal signature of an individual (e.g., signature normally used on checks and other documents). If the individual is not literate in written English, the individual may sign with an “X” which must be initialed by the contractor’s authorized representative.
<b>Funding partner</b>	A funding partner that has administrative authority for a fund source and makes a commitment of funding from that source. A funding partner is a signatory to the agreement that commits a specified funding (fund type, amount, etc).
<b>Indirect cost</b>	Elements of cost necessary in the operation of a grantee or funded organization and in the performance of services that are of such a nature that the cost cannot be identified with a particular program. It consists of those business and administrative costs that benefit the entire organization.  Indirect costs represent the expenses of doing business that are not readily identified with a particular grant, contract, project function or activity, but are necessary for the general operation of the organization and the conduct of activities it performs.
<b>Indirect cost allocation plan</b>	A written rationale, or plan, for assigning the relative share of indirect costs across more than one program or contract.

Term	Definition
<b>Lead agency</b>	<p>An agency designated to act as the administrative and fiscal entity for the Signature Program. The lead agency must provide direct services. Examples of agencies and organizations eligible to act as the lead agency for a Signature Program include, but are not limited to: city or county government agencies, and institutions of higher education. The fiscal entity must provide assurances that are accurate and current, and ensure that complete records are kept and that the program will follow all fiscal reporting and auditing standards required by First 5 California. (See Local Public Entities.)</p> <p>The lead agency is an organization that serves as the focal point for program development on the local, regional, or state level, often on behalf of a collaborative group of organizations.</p>
<b>Leveraged contribution</b>	<p>Leveraged that include non-First 5 California State funds that are under the direct control and administration of the recipient and used for the purposes of the Signature Program.</p>
<b>Licensed provider or licensed child care provider</b>	<p>An individual or organization that has obtained a child care license, as specified in the California <i>Code of Regulations, Title 22, Section 1011.56</i>.</p>
<b>Local agreement</b>	<p>Agreements, equivalent to contracts, initiated by First 5 California and executed with First 5 county commissions to document funding awards and requirements for matching funds programs.</p>
<b>Local match</b>	<p>The cash match that the applicant county is required to contribute to draw down State CARES Plus funds. (Please see Cash match)</p>
<b>Local public entity</b>	<p>Includes a county, city, district, public authority, public agency, and any other political subdivision or public corporation in the State, but does not include the State.</p>
<b>Mandatory forms</b>	<p>Forms required for the application. Please note that specific mandatory forms must be completed for application acceptance and review.</p>
<b>Match (or cash match)</b>	<p>The lead agency and its partners are required to match State funds. The recipient is required to have agreements or memoranda of understanding with each partner providing a contribution. The lead agency must retain auditable records documenting the amount and contributor of the match for a period of at least five years for audit and monitoring purposes. The “match” may include Proposition 10 local tax revenues, gifts, grants, and funds provided by a local partner that directly contribute to the Signature Program strategies and objectives.</p>

Term	Definition
<b>New contract</b>	A contract award to an existing contractor for a Signature Program that is different and separate from First 5 California contract(s) currently administered by the applicant.
<b>Operating costs</b>	The recurring expenses related to the operation of a business, or to the operation of a device, component, piece of equipment, or facility.  These day-to-day expenses are incurred in running an enterprise or program, such as sales and administration, as opposed to production. (See Operating Expenses)
<b>Prior approval</b>	Written approval by an authorized First 5 California official evidencing prior consent.
<b>Private contractor</b>	An entity other than a public agency that is tax exempt or non-tax exempt and under contract with First 5 California or a First 5 county commission for the provision of Signature Program services.
<b>Program compliance audit</b>	An audit of the program undertaken to confirm adherence to the terms of the agreement, and/or the rules, regulations, or requirements of the Signature Program as prescribed by First 5 California.
<b>Program costs</b>	Costs readily assignable to a program, grantee, contractor, or service provider (other than post-contract program evaluation activities) and/or in the execution of direct service provision.
<b>Program management costs</b>	Costs incurred for directly managing a program which may include, but are not limited to, program design, program planning, staffing, personnel planning or organizing, facilities management, marketing, staff training, travel, information technology costs, and more. These costs typically are readily identifiable and assignable to a specific program.
<b>Project costs</b>	All allowable costs incurred by a recipient, and the value of contributions made by third parties in accomplishing the objectives of the award during the project period.
<b>Public contractor</b>	A local public entity under contract with First 5 California or a First 5 county commission for the provision of Signature Program services.
<b>Reasonable and necessary costs</b>	Expenditures that, in nature and amount, do not exceed what an ordinarily prudent individual would incur in the conduct of program activities given the full scope of governmental accounting and auditing standards together with specific program guidelines for use of the funds.

Term	Definition
<b>Reimbursement</b>	Cash or other assets received as repayment of the cost of work or services performed; or repayment of expenditures made for or on behalf of another governmental unit, fund, or department.
<b>Reimbursement claim</b>	A claim for actual costs incurred in a prior report period, usually quarterly or semi-annual, filed with First 5 California by a lead agency.
<b>Recipients of service</b>	Individuals or organizations enrolled in a Signature Program subsidized by First 5 California.
<b>Service delivery area</b>	The community, geographic area, or political subdivision in which Signature Program services are to be provided as specified in the program guidelines or funding application.
<b>Stipends (and incentives)</b>	Allowances provided to program participants for their participation in program activities (i.e., staff development or training) or attainment of education milestones, often in the form of class credits, certificates, and/or degrees.
<b>Supplantation</b>	<p>The term “supplant” means to “replace or take the place of.” The State of California and First 5 California require that Signature Program funds be used to supplement (increase), but not supplant (replace), the existing level of federal, state, local, and other non-federal or State funds that have been available to conduct similar programs.</p> <p>Occurs when new funds are used to fund existing programs. No funds provided by First 5 California should be used to supplant state or local general fund money for any purpose.</p>
<b>Supplementation</b>	The term “supplement” is defined as “to add to.” The state of California and First 5 California require that Signature Program funds be used to supplement (increase), but not supplant (replace), the existing level of federal, state, local, and other non-federal or State funds that have been available to conduct similar programs.
<b>Support services</b>	Those services designed to increase program access and that support participants’ success in completing CARES Plus requirements and incorporating their new knowledge and skills into practice. These services may include, but are not limited to, technical assistance, coaching, tutoring, lending libraries, and cohort services, courses offered in other venues and in multiple languages, supports for English language learners, career counseling, academic advising, or a CARES Plus Advisor.
<b>Termination</b>	The cancellation of a First 5 California local agreement, in whole or in part, at any time prior to the contract end.

<b>Term</b>	<b>Definition</b>
<b>Total contract amount</b>	The maximum reimbursable amount under the executed agreement or subsequent amendments, if any.
<b>Total expenditures</b>	All costs for the provision of subsidized Signature Program services under the local agreement and any nonsubsidized services provided in a commingled program.
<b>Unencumbered balance</b>	That portion of an appropriation or allotment not yet expended or obligated.