

Child Signature Program – Fiscal Glossary

Term	Definition
Actual and allowable net costs	The costs which may be reimbursed under the Child Signature Program (CSP) after disallowed costs and any matching amount have been subtracted from total expenditures.
Actual Data	The reportable data for which the sponsor has supporting documentation at the time of claim submission. All data reported on the Claim for Reimbursement must be actual data.
Administrative Costs	<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 county and as such are not readily assignable to a particular program funding stream. Administrative costs relate to the general management of the county, such as accounting, budgeting, personnel, procurement, and legal services.</p> <p>Costs related to administration may include both direct 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 indirect 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>
Allocation	This term is used primarily in situations in which funding is distributed to county commissions based on a statutory formula, but may also refer to discretionary grant or matching funds programs.
Allowable Costs	<p>Costs that meet the specific criteria of a funding agency and are reasonable and allocable.</p> <p><u>Reasonable costs</u></p> <p>A cost may be considered “reasonable” if the nature of the goods or services acquired or applied, and the amount involved, reflect the actions a prudent person would have taken under the circumstances prevailing at the time the decision to incur the cost was made. Major considerations in determining the reasonableness of cost are: (a) whether the cost is of a type generally recognized as necessary for the operation or the performance of the agreement; (b) the restraints or requirement imposed by such factors as arm’s length bargaining, federal, state</p>

**Allowable Costs
(Cont.)**

and local laws and regulations and agreement terms and conditions; (c) whether the individuals concerned acted with due prudence in the circumstances, considering their responsibilities to the county commission, its employees, the state and local government, and the public at large; and (d) the extent to which the actions taken with respect to the incurrence of the cost are consistent with established local policies and practices applicable to the work of the county commission generally, including CSP agreement.

Allocable costs

A cost is "allocable" to a specific cost objective (i.e., a particular function, project sponsored agreement) if the goods or services involved are chargeable or assignable to such cost objective in accordance with relative benefits received or other equitable relationships. (For instance, supplies purchased to directly carry out the purpose of the project are allocable costs. Flowers purchased for a staff member or for the project office are not.) Major considerations in determining the allocability of a cost are: (a) whether it is incurred solely to advance the work under the agreement; (b) whether it benefits both the agreement and other work of the institution, in proportions that can be approximated rough use of reasonable methods; and (c) whether it is necessary to the overall operation of the county commission and, in light of the principles provided in OMB Circular A-21, is deemed to be assignable in part to projects. Where the purchase of equipment or other capital items is specifically authorized under the agreement, these amounts are assignable to the agreement regardless of the use that may subsequently be made of the equipment or other capital items involved.

An allocable cost can be a direct costs or an administrative (indirect) cost.

Amended Contract or Agreement

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.

Audit

An examination of documents, records, and accounts for the purpose of:

- determining the propriety of transactions;
- ascertaining whether all transactions are recorded properly; and
- determining whether statements that are drawn from accounts reflect an accurate picture of financial operations and financial status for a given period of time.

Authorized Representative (AR)	A person designated by the county agency to submit applications or other required documents on behalf of the agency. Only an AR has the authority to sign and submit applications and/or sign contracts.
Award Notification	Official document signed by an authorized representative stating the amount, terms, and conditions of the contract or agreement award.
Budget	A plan of financial operation consisting of an estimate of proposed revenue and expenditures for a given period and purpose. The term usually indicates a financial plan for a single fiscal year.
Budget Period	A specific interval of time for which funds are being provided to fund approved activities and budget. The Budget Period is determined by a Budget Start Date and a Budget End Date. Approved expenditures are only permissible during the Budget Period (see also: Performance Periods)
Budget Revision	Net increases and decreases to the budget. They may include increases due to new grant funds and decreases due to the need to reduce appropriations to keep spending within available revenues.
Carry Over	Unobligated (unspent) award balances from a previous year's award are transferred to the current year's award, and are available to spend in addition to the current year's award. Carry-Overs must usually be requested by the participating agency. (Also see : Off-Set)
Cash	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 should be indicated.
Cash Match	<p>Cash match is program-specific contributions provided by an organization or individual for which documentation of a cash transaction can be provided. The county agency is required to ensure the State fund match requirement is met.</p> <p>For cash matches, county commissions are required to maintain or have access to documentation of the cash transaction. Just providing a statement about the services covered by cash matching funds is not adequate documentation of cash matching funds; some sort of financial documentation that verifies the matching fund expenditures is needed.</p>

**Cash Match
(Cont.)**

A county commission meeting its cash match requirement through the contributions of other organizations is required to have an agreement or memoranda of understanding with each organization providing a contribution and require the signature of the contributor of the funds.

The county commission and other funding partners must keep auditable records for a period of at least five years for audit and monitoring purposes. The “match” may include the following types of fund: Proposition 10 local tax revenues, federal, local Workforce Investment Board, local government, non-profit organization, private foundations, grants, and funds provided by other entities that directly contribute to the CSP.

Certification

Statement signed or endorsed by an authorized representative of the receiving agency as a prerequisite for receiving funds, that the proposed recipient (1) meets or will adhere to certain conditions (i.e., “assurance”), or (2) will undertake or not undertake certain actions.

**Claim for
Reimbursement**

A request for reimbursement submitted by a participating agency (sponsor) to the state for payment.

**Claim Submission
Deadline**

The final date a claim may be accepted for consideration of payment.

Closeout

Process by which First 5 California determines that all applicable administrative actions and all required work of the award have been completed by the recipient and First 5 California.

Collaboration

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.

Commingled

A fund consisting of assets from several accounts that are blended together.

A **commingled fund** mixes together assets from various accounts, providing investors with the benefits of an economy of scale. This term simply means the investors, though they are each small, can pool together to make one large network. Commingled funds are often called pooled funds for this reason.

Compliance Review	<p>Counties receiving funding for the CSP may be chosen for a review by the state. The purpose of the review is to ensure that they are spending the funding as required by law. Reviews may take place in person and/or through an online process.</p> <p>At the end of each review, the state will complete a report of findings and informs the school, district, or county office how to correct the findings.</p>
Contract Period	<p>The time span the contract is in effect as specified by said contract.</p>
Contracted Services	<p>Expenditures for services rendered under contract by personnel who are not on the payroll of the County, including all related expenditures covered by the contract.</p>
Corrective Action Plan (CAP)	<p>The form used to request a one-time only exception that must include a detailed explanation of the problem contributing to the lateness of a Claim for Reimbursement and the actions being taken to avoid future late claim submissions.</p>
Cost	<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 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>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>
Direct Service Costs (or Direct Services)	<p>Costs that can be identified specifically with a particular sponsored project or that can be directly assigned relatively easily with a high degree of accuracy.</p> <p>Direct costs generally include, but are not limited to:</p> <ol style="list-style-type: none">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)

Direct Service Costs (or Direct Services) (Cont.)	<ol style="list-style-type: none">2. Other employee fringe benefits allocable on direct labor employees3. Consultant services contracted to accomplish specific grant objectives4. Travel of (direct labor) employees5. Materials, supplies and equipment purchased directly for use on a specific grant or contract6. Communication costs such as long distance telephone calls or telegrams identifiable with a specific award or activity
Disallowed Costs	Costs that have been incurred but are not reimbursable because they are not reasonable, allowable, and/or necessary for the performance of the contract as defined by First 5 California or are otherwise non-reimbursable.
Disbursements	Payments by currency, check, or warrant. The payment 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).
Encumbered Funds	The encumbrance is a preliminary charge to the project. It represents the funds obliged through an agreement, but not yet spent. It commits projects funds at the time of the executed agreement and makes them unavailable for other expenditures.
Expenditures	<p>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.</p> <p>Charges made to the project or program, which may be reported on a cash or accrual basis.</p> <p>Take place when a vendor or contractor performs 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.</p>
Financial Audit	<p>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.</p> <p>A financial audit consists of a review of the financial statements of a person or an institution, to determine their accuracy.</p>
Fiscal Year	A period of one year, the beginning and the ending dates of which are fixed. For First 5 California CSP, it is the period beginning July 1 and ending on June 30.

Full Signature	The legal signature of the 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.
Funding Partner	An agency other than the County First 5 Commission that is contributing toward the cash match of the County First 5 Commission.
In-Kind Match	In-kind contributions are project-specific contributions of a service or a product provided by any organization or individual where the cost cannot be tracked back to a cash transaction.
Indirect Cost	<p>Elements of cost necessary in the operation of a grantee or funded organization and in the performance of a service 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.</p> <p>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.</p>
Indirect Cost Allocation Plan	A written rationale, or plan, for assigning the relative share of indirect costs across more than one program or contract.
Leveraged Funds	Leveraged funds 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 CSP.
Local Agreement	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.
Local Public Entity	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.
Mandatory Forms	Forms required for the application. Please note that a mandatory form must be completed for application acceptance and review.
Match	See “Cash Match.”

New Contract	A contract award to an existing contractor that is for a CSP that is different than First 5 California contract(s) currently administered by the applicant.
Operating Costs	<p>The recurring expenses which are related to the operation of a business, or to the operation of a device, component, piece of equipment or facility.</p> <p>The day-to-day expenses incurred in running an enterprise or program, such as sales and administration, as opposed to production. (See also: Operating Expenses)</p>
Operating Facility	The office(s) within the service delivery area(s) providing CSP services to the public.
Original Claim	The first Claim for Reimbursement submitted by a participating agency to First 5 California for a particular period.
Performance Period	The complete length of time a recipient is funded to complete approved activities. A performance period may contain one or more budget periods. (See also: Budget Period)
Prior Approval	Written approval by an authorized First 5 California official evidencing prior consent.
Private Contractor	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 CSP services.
Public Contractor	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.
Reimbursement	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.
Reimbursement Claim	A claim for actual costs incurred in a prior report period, usually quarterly or semi-annual, filed with First 5 California by a county
Recipients of Service	Individuals or organizations enrolled in a CSP subsidized by First 5 California
Reporting Period	The period for which a report is providing expenditure details.
Service Delivery Area	The community, geographic area, or political subdivision in which CSP services are to be provided as specified in the program guidelines or funding application.

Subagreement	<p>A subagreement is a contract that is written under the authority of, and is consistent with the terms and conditions of a prime award, that authorizes a portion of the work or substantive effort to be performed by another organization. The subagreement document outlines the rights and responsibility of each party.</p>
Supplantation	<p>The term “supplant” means to “replace or take the place of.” The state of California and First 5 California require that CSP 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. In general terms the word “supplant” means to take the place of, or take the place of something else.</p>
Supplementation	<p>The term “supplement” is defined as “to add to.” The state of California and First 5 California require that CSP 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>
Termination	<p>The cancellation of First 5 California local agreement, in whole or in part, under an agreement at any time prior to the date of completion.</p>
Total Contract Amount	<p>The maximum reimbursable amount under the executed agreement or subsequent amendments, if any.</p>
Total Expenditures	<p>All costs for the provision of subsidized CSP services under the local agreement and any non-subsidized services provided in a commingled program.</p>
Unencumbered Balance	<p>In government accounting, balance relating to a portion or the entire amount of an appropriation that has not been encumbered or expended.</p>