

Glossary of Terms and Acronyms

These terms are used frequently throughout the handbook. Please reference these terms for explanation of commonly used names, acronyms, and phrases.

- ✓ **ACH Routing Number:** The number assigned to each bank by the Federal Reserve for the routing of financial transactions.
- ✓ **Activity Code:** The code numbers assigned for each activity in a project and shown on the cost summary in each grant agreement.
- ✓ **Affirmative Action:** A specific action or activity to eliminate or prevent discrimination. Affirmative action is often designed to remedy past discrimination and to ensure it does not reoccur.
- ✓ **Allowable Costs:** Costs that are acceptable under 2 CFR 200 and are approved as part of an activity in the grant agreement.
- ✓ **Amendment:** A written revision or change to the contract/grant agreement.
- ✓ **American Indian/Alaskan Native:** A person having origins in any of the original peoples of North and South America (including Central America), and who maintains tribal affiliation or community attachment.
- ✓ **ADA:** Americans with Disabilities Act of 1991.
- ✓ **ARC:** Appalachian Regional Commission.
- ✓ **Area Development Districts (ADDs):** Regional planning and development organizations in which counties and cities work together to accomplish common goals and receive shared benefits.
- ✓ **Assessed Value:** The valuation of property for the purpose of levying a tax.
- ✓ **Appraised Value:** An estimate and opinion of the value of property resulting from the analysis of facts. The three generally accepted approaches to real estate value estimates are: (1) market approach - comparison with known sales of other properties in the same area and classification; (2) cost approach—reproduction costs less depreciation; and (3) income approach—capitalization of the estimated net income.
- ✓ **Asian:** A person having origins in any of the original peoples of the Far East, Southeast Asia, or the Indian subcontinent including, for example, Cambodia, China, India, Japan, Korea, Malaysia, Pakistan, the Philippine Islands, Thailand, and Vietnam.
- ✓ **Assurance:** A written statement or contractual agreement signed by the chief executive officer in which a grantee agrees to administer Federally-assisted programs in accordance with laws and regulations.

- ✓ **Beneficiaries:** Persons to whom assistance, services or benefits are ultimately provided.
- ✓ **Black/African-American:** A person having origins in any of the Black racial groups of Africa.
- ✓ **Community Development Block Grant (CDBG):** The Federal entitlement program that provides funds to States and cities/counties for community development programs and projects.
- ✓ **CEO:** Chief Executive Officer or Chief Elected Official.
- ✓ **Change Order:** A written revision or change to a contract.
- ✓ **Collateral:** Security given as a pledge for the fulfillment of an obligation normally in the form of fixed assets (i.e., land, building, equipment, etc.).
- ✓ **Community Development Plan:** See Development Plan.
- ✓ **Compliance:** The fulfillment of the requirements of applicable laws, implementing regulations and instructions.
- ✓ **Condemnation:** The act of taking private property for public use by a political subdivision.
- ✓ **Consolidated Plan (Con Plan):** A plan prepared in accordance with the requirements set forth in 24 CFR Part 91, which describes community needs, resources, priorities, and proposed activities to be undertaken under certain HUD programs, including CDBG.
- ✓ **Contract Amendment:** Any written alteration in the specifications, delivery point, day of delivery, contract period, price, quantity or other provision of an existing contract.
- ✓ **Contractors:** A contractor is an entity paid with project funds in return for a specific service (e.g., construction). Contractors must be selected through a competitive procurement process.
- ✓ **Contractual Break:** A point in time when a community closes all KCDBG projects it has been awarded.
- ✓ **Cost Reimbursable:** A type of contract where contractors are paid for the work accomplished. The contract specifies an estimate of total costs and designates a maximum dollar amount that cannot be exceeded without the approval of the contracting officer.
- ✓ **Department for Local Government (DLG):** The agency within the Commonwealth of Kentucky that administers the State CDBG Program.
- ✓ **Development Plan:** A plan for the redevelopment of all or part of an area when a local public agency is going to purchase and reuse it, including any amendments thereto, approved in accordance with the requirements of KRS 99.070. For CDBG purposes, the plan must be site specific.
- ✓ **Discrimination:** Unequal treatment of a class of persons. An action, policy or practice is discriminatory if the result is unequal treatment of a particular protected class.

- ✓ **Displaced Person or Business:** When a person or business is forced to move permanently as a direct result of acquisition, demolition or rehabilitation of HUD-assisted projects carried out by public agencies, nonprofit organizations, private developers, and others.
- ✓ **DUNS Number:** The Data Universal Numbering System (DUNS) is a unique numeric identifier assigned to a single business entity, developed and regulated by Dun & Bradstreet (D&B).
- ✓ **Easement:** The right, privilege or interest one party has in the land of another and is an encumbrance against the property that is subject to it. An easement may be permanent or temporary.
- ✓ **Equal Employment Opportunity (EEO):** Refers to a number of laws and regulations that together require that CDBG grantees provide equal opportunity to all persons without regard to race, color, religion, age, familial status, disability, sex, sexual orientation, gender identity, or national origin in the administration of their programs.
- ✓ **Eligible Costs:** The costs of a project that are acceptable according to Section 105 of the Housing and Community Development Act and that are consistent with the grant agreement.
- ✓ **Eminent Domain:** The power of the government to take private property for public use upon just compensation. The power extends to all lands acquired for the purpose of a higher public character deemed necessary for the proper performance of governmental functions essential to the life of the Commonwealth.
- ✓ **Environmental Assessment (EA) Checklist:** A concise public document to aid in a grantee's compliance with the National Environmental Policy Act.
- ✓ **Environmental Clearance:** A clearance given by DLG to indicate a grantee has met the CDBG environmental procedures and sufficient documentation and certification have been provided.
- ✓ **Environmental Impact Statement (EIS):** The documentation that is required when a project is determined to have a potentially significant impact on the environment.
- ✓ **Environmental Review (ER):** The technical process of identifying and evaluating the potential environmental effects of a specific project within each impact category and as a whole.
- ✓ **Environmental Review Record (ERR):** Documentation of the environmental review process including all assessments or environmental impact statements, published notices, notifications and correspondence relating to a specific project.
- ✓ **Equity:** Funds that will be invested in a project by a private company designated as the participating party in the grant agreement.
- ✓ **Extremely Low-Income (ELI):** As defined in the Consolidated Plan regulations and Section 8 Program, a family whose annual income does not exceed 30 percent of the area median family income.

- ✓ **Fair Housing:** Refers to a number of Federal and State laws and regulations that prohibit a wide range of discriminatory practices and require that CDBG-funded programs be administered in a manner that affirmatively furthers fair housing.
- ✓ **Fair Market Value:** The price at which a willing seller would sell and willing buyer would buy a piece of real estate with neither being under abnormal pressure. As defined by the courts, the highest estimated price a property would bring if exposed for sale in the open market.
- ✓ **Family:** As defined in the Entitlement program a group of persons residing together, and includes but is not limited to: a family with or without children, an elderly family; a near-elderly family; a disabled family; or a displaced family. An individual living in a housing unit that contains no other person(s) related to him/her is considered to be a one-person family for this purpose.
- ✓ **Federal Assistance:** Any funding, property or aid provided for the purpose of assisting a beneficiary.
- ✓ **Federal Tax ID Number:** The number assigned to the grantee by the Internal Revenue Service (IRS) for the purpose of filing tax information.
- ✓ **Fee Simple:** Absolute ownership of real property with unrestricted rights of disposition during the owner's life.
- ✓ **Firm Fixed-Price Contract:** A contract that provides for a price that is not subject to any adjustment in the performance of the contract.
- ✓ **Finding of No Significant Impact (FONSI):** A public document by a Federal agency or a KCDBG grantee briefly presenting the reasons why an action not otherwise excluded (40 CFR 1508.4) or exempt will not have a significant effect on the human environment and for which an environmental impact statement will not be prepared.
- ✓ **Full Release of Funds:** The date on which the grantee has received environmental clearance and DLG has received and approved all the items listed in the evidentiary section of the grant agreement.
- ✓ **Funding Agency:** Term used to refer to the entity that provides funding for an activity, project or program, as used particularly when completing environmental requirements. In the case of CDBG funds, DLG is the funding agency.
- ✓ **Grantee:** Refers to eligible communities that receive and use CDBG funds under the Commonwealth of Kentucky's CDBG Program.
- ✓ **Hispanic or Latino:** A person of Cuban, Mexican, Puerto Rican, South or Central American, or other Spanish culture or origin, regardless of race.
- ✓ **Household:** As defined in the Entitlement program, all persons occupying the same housing unit, regardless of their relationship to each other. The occupants could consist of a single family, two or more families living together, or any other group of related or unrelated persons who share living arrangements.

- ✓ **HUD Exchange:** Website with resources and information on various HUD programs, including CDBG. It can be found at www.hudexchange.info.
- ✓ **Inspection:** The examination and testing of supplies and services to determine if they conform to contractual requirements.
- ✓ **Internal Controls:** Policies and procedures that ensure project transactions will be carried out in conformity with applicable regulations and agency policy.
- ✓ **Invitation for Bids (IFB):** Under the sealed bidding method of procurement, the written solicitation document that explains what the grantee is buying and requests bids from potential contractors.
- ✓ **KCDBG:** Kentucky Community Development Block Grant.
- ✓ **KRS:** Kentucky Revised Statutes.
- ✓ **Language Assistance Plan (LAP):** A plan developed by organizations to address other-than-English language service capabilities for limited-English proficient (LEP) individuals.
- ✓ **Lease:** A contract in which a property owner (lessor) transfers the possession of an asset to another party (leasee), usually in exchange for the payment of rent.
- ✓ **Legally Binding Agreement:** Document entered into between the grantee and the nonprofit and/or participating party that defines and delineates each party's responsibilities as contained in the grant agreement.
- ✓ **Lien Position:** The order in which creditors will be satisfied in case of default.
- ✓ **Life Estate:** An estate or interest held during the term of a particular person's life.
- ✓ **Limited English Proficiency (LEP) Individuals:** Individuals who do not speak English as their primary language and who have a limited ability to read, speak, write, or understand English.
- ✓ **Local Development Agency (LDA):** A locally based non-profit that is certified by the KCDBG program to implement CDBG activities under Section 105(a)15 and retain LDA proceeds, which are not considered program income and are not federal funds.
- ✓ **Local Match:** Funds provided by the locality/grantee as a condition of award/use of CDBG funds. Local match can come from a variety of non-grant, cash sources.
- ✓ **Low and Moderate Income (LMI):** As defined in the Consolidated Plan regulations and Section 8 Program a family whose annual income whose annual income is below 80 percent of the area family median income.
- ✓ **Low-income:** A household/family having an income below 50 percent of the area median income.

- ✓ **Microenterprise:** A commercial enterprise that has five or fewer employees, including the owner (or owners) of the business.
- ✓ **Middle Income:** As defined by the Consolidated Plan regulations, a household with an income between 80 and 95 percent of the area median income.
- ✓ **Minority:** A person or groups of persons differing from others in some characteristics such as race, color, national origin, religion, sex, disability or familial status.
- ✓ **Minority Business Enterprise/Woman-owned Business Enterprise (MBE/WBE):** Companies owned by minorities or women.
- ✓ **Miscellaneous Revenue:** Revenue recaptured by a grantee that is not program income and not subject to Federal requirements.
- ✓ **Moderate-income:** A household/family having an income above 50 percent but below 80 percent of the median income for the area.
- ✓ **Monitoring:** A routine review of projects during and after Federal assistance has been provided to the grantee.
- ✓ **National Objective(s):** Refers to the three main goals of the CDBG Program—(1) benefit to LMI persons, (2) prevent or eliminate slums/blight, or (3) meet a need having a particular urgency. All funds expended under the program must meet one of the three national objectives.
- ✓ **National Origin:** Can be defined as a person's ancestry, nationality group, lineage or country of birth of parents and ancestors before their arrival in the United States.
- ✓ **Native Hawaiian/Other Pacific Islander:** A person having origins in any of the original peoples of Hawaii, Guam, Samoa, or other Pacific Islands.
- ✓ **Necessary and Appropriate:** The process used by the grantee to ensure that private firms benefiting from KCDBG projects will not be unduly enriched.
- ✓ **Negotiation:** Discussion regarding technical and price proposals with offers in the competitive range for a contract being awarded using the competitive proposals or noncompetitive proposal method of procurement.
- ✓ **Noncompetitive Proposals:** The method of procurement in which the grantee solicits proposal(s) from one source or a limited number of sources. This process may be used only under very limited circumstances and DLG must approve the use of noncompetitive proposals.
- ✓ **Noncompliance:** Failure or refusal to comply with an applicable law or regulation or DLG requirement.
- ✓ **Notice of Intent/Request Release of Funds (NOI/RROF):** The notice the grantee completes and submits to DLG once it is determined that a project will not require an environmental impact statement.

- ✓ **Office of Management and Budget (OMB):** This is the oversight agency of the Federal government.
- ✓ **Persons with Disabilities:** Persons who have physical or mental impairments that substantially limit one or more of their major life activities (i.e., talking, walking, working, etc.), have histories of those impairments, or are regarded as having those impairments under provisions of the ADA.
- ✓ **Participating Party:** For profit or nonprofit entity that is the beneficiary of the KCDBG funds awarded.
- ✓ **Potential Beneficiaries:** Those persons who are eligible to receive Federally- assisted program benefits and services.
- ✓ **Program Income:** Gross income received by a unit of general local government or a subrecipient that was generated from the use of CDBG funds.
- ✓ **Proposal:** In the competitive/noncompetitive proposal method of procurement, the offer submitted by a potential contractor.
- ✓ **Protected Class(es):** A person or persons who, by virtue of race or color, national origin, religion or creed, sex, disability, age or familial status are protected and given redress by the law when discriminated against.
- ✓ **Public Notification:** Process of publicizing information about CDBG projects. This is attained through the use of newspapers, newsletters, periodicals, radio and television, community organizations, grassroot and special needs directories, brochures, and pamphlets.
- ✓ **Public Posting:** Display of information such as notices in prominent locations throughout the community.
- ✓ **Quotation:** The price or offer submitted by a business in the small purchase method of procurement.
- ✓ **Recipient:** City and/or county that is awarded a KCDBG grant (also referred to as grantee). The term recipient can also be used to refer to beneficiaries of certain programs, like housing programs.
- ✓ **Regulations:** Refers to the implementing requirements that are developed and issued by the agency responsible for a certain program or requirement. In the case of CDBG, the regulations are issued by HUD and can be found at 24 CFR Part 570.
- ✓ **Request for Proposals (RFP):** Under the competitive proposal method of procurement, the agency's written solicitation to prospective firms to submit a proposal based on the terms and conditions set forth therein. Evaluation of the proposal is based on the factors for award as stated in the solicitation.
- ✓ **Request for Qualifications (RFQ):** A form of procurement of professional services by competitive proposals in which price is neither requested in the advertisement nor used as an evaluation factor. Only technical qualifications are reviewed and a fair and reasonable price negotiated with the most qualified firm.

- ✓ **Request for Quotations:** Under the small purchase method of procurement, a brief written request for a price quotation from potential contractors.
- ✓ **Responsible Bidder:** A bidder who has the technical and financial capacity to secure the necessary resources in order to deliver the goods or services.
- ✓ **Responsible Entity (RE):** Term used to refer to the entity responsible for completing and certifying an environmental review record, as required under 24 CFR Part 58. In the case of KCDBG funds, grantees (that are local governments) are the responsible entity.
- ✓ **Responsive Bid:** A bid that conforms exactly to the requirements in the invitation for bids (IFB).
- ✓ **Revolving Fund:** A separate fund that is independent of other program accounts established to carry out specific activities that, in turn, generate payments to the fund for use in carrying out such activities. Commonly used under CDBG program income funds for ongoing housing rehabilitation or economic development activities.
- ✓ **Right of Way:** A privilege operating as an easement upon land whereby the owner has given to another the right to pass over the land to construct a roadway or use as a roadway a specific part of the land. The right to construct through or over the land telephone, telegraph or electric power lines, or the right to place underground water mains, gas mains or sewer mains.
- ✓ **Sanctions:** Measures that may be invoked by DLG or HUD to exclude or disqualify someone from participation in HUD programs (e.g., debarment and suspension) or to address situations of noncompliance.
- ✓ **Sealed Bidding:** The procurement method for requesting competitive sealed bids. This method of procurement requires specifications be written clearly, accurately and completely describing the requirements. A public bid opening is held and evaluation of bids and award of the contract are based on the best bid submitted by a responsive and responsible contractor.
- ✓ **Section 3:** Refers to Section 3 of the Housing and Urban Development Act of 1968, as amended in 1992, which requires that employment and other economic opportunities generated by certain HUD financial assistance shall, to the greatest extent feasible, and consistent with existing Federal, State, and local laws and regulations, be directed to low- and very low-income persons, and/or to businesses that provide economic opportunities to low- and very low-income persons.
- ✓ **Specifications:** Clear and accurate description of the technical requirements of a service or supply contract.
- ✓ **State Historic Preservation Office (SHPO):** The State office that determines whether a grantee's project includes historically significant properties under applicable environmental review requirements. In Kentucky, this office is the Kentucky Heritage Council.
- ✓ **Scope of Work (SoW):** Written definition of work to be performed that establishes standards sought for the goods or services to be supplied, typically used for service contracts.

- ✓ **Statute/Statutory:** Refers to requirements that have their basis in the law passed by Congress. In the case of CDBG, the statute is Title I of the Housing and Community Development Act of 1974. Statutory provisions cannot be waived by HUD, except in cases of a natural disaster, and must be changed or approved by Congress. There are also some parts of the Kentucky Revised Statutes applicable to the KCDBG Program.
- ✓ **Statutory Checklist:** A checklist covering environmental compliance required by other Federal agencies, executive orders and other HUD regulations (24 CFR 58.5).
- ✓ **Subrecipient:** Subrecipients are governmental or private nonprofit organizations chosen by the grantee to undertake certain eligible CDBG activities.
- ✓ **Super (Omni) Circular:** Regulations issued at 2 CFR 200 by the federal Office of Management and Budget (OMB) on December 26, 2013 (officially titled “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards”), which is also referred to as the Omni Circular. The Super Circular supersedes and streamlines the uniform administrative requirements of 24 CFR Parts 84 and 85 as well as OMB Circulars A-133, A-110, and A-122. New audit requirements are effective for fiscal years beginning after December 26, 2014 (refer to Chapter 3).
- ✓ **System for Award Management (SAM):** An information system tool that streamlines the Federal acquisition business processes by acting as a single authoritative data source for vendor, contract award, and reporting information.
- ✓ **Termination for Convenience:** Termination of a contract on a unilateral basis when the grantee no longer needs or requires the products or services or when it is in the best interest of the grantee.
- ✓ **Termination for Cause:** Termination of a contract when the contractor fails to perform or make progress so as to endanger performance.
- ✓ **Time Delay:** An interruption during which services, supplies or work are not delivered in accordance with the performance time schedule stated in the contract.
- ✓ **Title VI of the Civil Rights Act of 1964:** Federal law (USC 2000d-4) prohibiting discrimination based on race, color or national origin.
- ✓ **Uniform Federal Accessibility Standards (UFAS):** Uniform standards for the design, construction and alteration of buildings so that physically disabled persons will have ready access to and use of them in accordance with the Architectural Barriers Act.
- ✓ **Uniform Relocation Act (URA):** The Federal regulation governing the acquisition of real property and the relocation or displacement of persons from Federally-assisted projects.
- ✓ **Urban Renewal Plan:** See Development Plan.
- ✓ **US Department of Housing and Urban Development (HUD):** HUD establishes the regulations and requirements for the program and has oversight responsibilities for the use of CDBG funds.

- ✓ **US Department of Labor (DOL):** Department of the U.S. Government that is responsible for Federal labor regulations and requirements.
- ✓ **US Environmental Protection Agency (EPA):** Department of the U.S. Government that is responsible for Federal environmental regulations and requirements.
- ✓ **Very Low-income:** As defined by the Consolidated Plan regulations and Section 8 Program, a family whose annual income falls in the range of 31 to 50 percent of the area median family income.
- ✓ **White:** A person having origins in any of the original peoples of Europe, North Africa or the Middle East.