



**Kiwaniis**<sup>®</sup>  
CHILDREN'S FUND

## **Glossary of Nonprofit Terms**

### **501(C)(3):**

The section of the U.S. tax code that defines nonprofit, charitable, tax-exempt organizations; 501(c)(3) organizations are further defined as public charities, private operating foundations and private non-operating foundations.

### **ADVISORY COMMITTEE:**

A group of individuals, who offer advice, inform or notify.

### **ANNUAL REPORT:**

A voluntary report published by a nonprofit that provides financial data and describes its activities. It may be a simple, typed document listing the year's accomplishments or an elaborately detailed publication.

### **ASSETS:**

Cash, stocks, bonds, real estate or other holdings of a nonprofit. Generally, assets are invested and the income is used to support the organization's mission.

### **BENEFICIARY:**

In philanthropic terms, the grantee receiving funds from a foundation is the beneficiary, although society may benefit as well.

### **BEQUEST:**

A sum of money made available upon the donor's death.

### **“BRICKS & MORTAR”:**

An informal term indicating grants for buildings and construction projects.

### **BUILDING CAMPAIGN:**

A drive to raise funds for construction or renovation of building.

### **BYLAWS:**

Rules governing the operation of a nonprofit corporation.

### **CAPITAL SUPPORT:**

Funds provided for endowment purposes, buildings, construction or equipment.

**CORPORATE GIVING PROGRAM:**

A grant-making program established and administered within a for-profit corporation.

Corporate giving programs do not have separate endowments; their annual grant totals generally are directly related to company profits. Corporate giving programs are not subject to the same reporting requirements as corporate foundations.

**DECLINE:**

Also referred to as denial, a decline is the refusal to fund a grant request. Some declinations explain why the grant was not made, but many do not.

**DIRECT BENEFICIARY:**

A recipient of a clear and immediate benefit from project activities.

**DISCRETIONARY FUNDS:**

Grant funds distributed at the discretion of one or more trustees, which usually do not require prior approval by the full board of directors. The governing board can delegate discretionary authority to staff.

**DONEE:**

The recipient of a grant. Also known as a grantee or beneficiary.

**DONOR:**

An individual or organization that makes a grant or contribution to a donee. Also known as the grantor or grant maker.

**DONOR-ADVISED FUND:**

A fund may be classified as donor-advised if it has at least three characteristics: (1) a donor or person appointed or designated by the donor has, or reasonably expects to have, advisory privileges with respect to the fund's distributions or investments, (2) the fund is separately identified by reference to contributions of the donor(s), and (3) the fund is owned and controlled by a sponsoring organization, such as a community foundation.

**ENDOWMENT:**

Funds intended to be invested in perpetuity to provide income for continued support of a nonprofit organization.

**FINANCIAL REPORT:**

An accounting statement detailing financial data, including income from all sources, expenses, assets and liabilities.

**FORM 990/FORM 990-PF:**

The U.S. IRS forms filed annually by public charities and private foundations respectively. The letters PF stand for private foundation.

**FUNDING CYCLE:**

A chronological pattern of proposal review, decision making and applicant notification.

**GIVING PATTERN:**

The overall picture of the types of projects and programs that a donor has supported historically.

**GOALS:**

Statements about general aims or purposes of the project. Something big picture which you try to achieve.

**GRANT:**

An award of funds to an organization or individual to undertake charitable activities.

**GRANT CYCLE:**

The period of time in which the grant funding must be spent and accounted for.

**GRANT MONITORING:**

The ongoing assessment of the progress of the activities funded by a donor, with the objective of determining if the terms and conditions of the grant are being met and if the goal of the grant is likely to be achieved.

**GRANTEE:**

The individual or organization that receives a grant.

**GRANTOR:**

The individual or organization that makes a grant.

**GUIDELINES:**

A statement of a foundation's goals, priorities, criteria and procedures for applying for a grant.

**IMPACT:**

A direct effect of a project or activity on a person, community, etc.

**IN-KIND CONTRIBUTION:**

A donation of goods or services rather than cash or appreciated property.

**LETTER OF INQUIRY:**

A brief application outlining an organization's activities and a request for funding sent to a prospective donor to determine if there is sufficient interest to warrant submitting a full proposal.

**OBJECTIVES:**

What you aim to achieve. Objectives are specific and concrete in how the goal will be achieved. They are measurable and serve as the basis for reporting outcomes.

**OPERATING SUPPORT:**

A contribution given to cover an organization's day-to-day, ongoing expenses, such as salaries, utilities, office supplies, etc.

**OUTCOMES:**

The achieved results of a project or program. In a grant proposal, this is stated as an expected result.

**PLEDGE:**

A promise to make future contributions to an organization. For example, some donors make multiyear pledges promising to donate a specific amount of money each year.

**POST-GRANT EVALUATION:**

A review of the results of a grant, with the emphasis upon whether or not the grant achieved its desired objective.

**PRELIMINARY PROPOSAL:**

A brief draft of a grant proposal used to learn if there is sufficient interest to warrant submitting a proposal.

**PROGRESS REPORTS:**

A written document summarizing the work that has been accomplished and the work that remains.

**PROPOSAL:**

A written application submitted to a foundation giving program in requesting a grant.

**PUBLIC AGENCY:**

A permanent or semi-permanent organization within the government that is responsible for the oversight and administration of specific functions.

**RESTRICTED FUND:**

Assets or income that is restricted in its use, in the types of organizations that may receive grants from it or in the procedures used to make grants from such funds.

**SITE VISIT:**

Visiting a grantee organization or with recipients of its services.

**TAX-EXEMPT ORGANIZATION:**

Organizations that do not have to pay state and/or federal income taxes.

**TRUST:**

A legal device used to set aside money or property of one person for the benefit of one or more persons or organizations.

**TRUSTEE:**

The person(s) or institutions responsible for the administration of a trust.

**UNRESTRICTED FUND:**

A fund that is not specifically designated to a particular use by the donor, or for which restrictions have expired or been removed.