



## **Fund Raising Glossary**

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## Fund Raising Glossary

Many people who start to write grants do not understand the language of grant makers. The following glossary will help you through the maze. When writing your grant, please do not use letters or abbreviations unless you first explain what it means to the reader.

**501(c)(3):**The section of the IRS 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.

**501(c)(4):** The IRS designation for social welfare organizations.

**501(c)(6):** The IRS designation for trade associations and business leagues.

### A

**Accrued Expenditures:** The charges incurred by the recipient during a given period requiring the provision of funds for (1) goods and other tangible property received; (2) services performed by employees, contractors, sub-recipients, and other payees, and (3) other amounts becoming owed under programs for which no current services or performance is required (such as annuities, insurance claims, and other benefit payments).

**Accrued Income:** The sum of: (1) earnings during a given period from services performed by the recipient and goods and other tangible property delivered to purchasers, and (2) amounts becoming owed to the recipient for which no current services or performance is required by the recipient.

**Acquisition Cost Of Equipment:** The net invoice unit price of the equipment, including the cost of modifications, attachments, accessories, or auxiliary apparatus necessary to make the property usable for the purpose for which it was acquired. Other charges such as the cost of installation, transportation, taxes, duty or protective in-transit insurance, shall be included or excluded from the unit acquisition cost in accordance with the recipient's regular accounting practices.

**Administrative Order:** A legal document signed by a government agency directing an individual, business, or other entity to take corrective action or refrain from an activity. The order describes the violations and actions to be taken, and can be enforced in court. Such orders may be issued, for example, as a result of an administrative complaint whereby the respondent is ordered to pay a penalty for violations of a statute.

**Administrative Requirements:** Those matters common to grants in general, such as financial management, kinds and frequency of reports and retention of records. These are distinguished from programmatic requirements, which concern matters that can be treated only on a program-by-program or grant-by-grant basis, such as kinds of activities that can be supported by grants under a particular program.

**Advance:** A payment made by the funder to a recipient upon request either before outlays are made by the grant recipient or through the use of predetermined payment schedules. This term is often used when dealing with government funding.

**Affinity Group:** An independent coalition of grant making organizations or individuals associated with such organizations, that share information or provides professional development and networking opportunities in a particular area of interest.

**AGI (Adjusted Gross Income):** AGI includes income from salary and wages, investments, and capital gains.

**Allowable Costs:** Project costs that are eligible, reasonable, necessary, and allocable to the project.

**Amendment:** There are several types of amendments that can be made to grants. They include: 1. Formal amendment: a written modification of an assistance agreement signed by both the funder and the grant recipient. 2. Informal amendment: proposed project change which does not substantially alter the objective or scope of the project.

**Annual Report:** A voluntary report published by an organization describing its activities for the past year. It may be a simple, typed document listing the year's activities or an elaborately detailed publication. A growing number of nonprofits use an annual report as an effective means of informing the community about their activities, policies, financial management, and expenditures.

**Application Guidelines:** A funder's goals, priorities, criteria, and procedures for applying for a grant.

**Area Campaign:** A concentrated effort to obtain financial contributions in a geographical area, either by mail or through the organization of volunteers residing in the area.

**Articles of Incorporation:** A document filed with the secretary of state or other appropriate state office by persons establishing a corporation. This is the first legal step in forming a nonprofit corporation.

**Asset Based Community Development:** Different from "needs-based" assessment, ABCD aims to identify existing community strengths and build upon them.

**Assets:** Cash, stocks, bonds, real estate or other holdings. When referring to foundations, usually the assets are invested and the income is used to make grants.

**Assisted Housing:** Housing for the poor that is subsidized by the federal government.

**Assisted Living:** A combination of housing, personalized support services, and health care designed for those who need help with everyday activities.

**Assurance of Compliance:** Certifications that grant seekers must file before they qualify for funding from government agencies.

**Audit - Financial:** A formal examination of an organization's accounting records. Source documents are examined to substantiate legitimacy of transactions. Sometimes an audit includes examination of compliance with applicable terms, laws, and regulations.

**Audit Finding:** A conclusion about a financial issue (or sometimes a program/project related issue) as a result of an Audit. An Audit Finding often provides recommendations for corrective action to prevent future occurrences.

**Audit - Program:** A review, often performed by the grant maker, of the accomplishments and outcomes of a grant funded organization/program/project.

**Automated Clearing House (ACH):**An electronic wire transfer system to pay recipients through the Federal Reserve system and their local bank (replaced former letter of credit system).

**Award (see also "grant"):**Financial assistance that provides support or stimulation to accomplish a public purpose.

**Award Official:** A government or non-government official with the authority to execute a grant.

**Awarding Agency:** With respect to a government grant, the Federal or State Agency involved.

<b>B</b>
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**Benchmarking:** Identifying measures against which an organization's progress can be compared.

**Benefactor:** One who makes a major financial contribution to a nonprofit organization or individual artist.

**Beneficiary:** In philanthropic terms, the grantee receiving funds from a foundation or corporate giving program is the beneficiary.

**Bequest:** A sum of money made available upon the donor's death to a nonprofit organization.

**Blind:** Used when doing an evaluation on a project. It is a record-keeping procedure that allows anonymous feedback on the project by separating names from the data pertaining to them.

**Block Grants:** Grants administered by the federal government to provide states with funding for a particular purpose, for example the delivery of child health services.

**Brick-and-Mortar:** An informal term indicating a grant for building or construction projects.

**Bridge Grant:** A grant made to an organization to span some gap in funding, generally resulting from a termination in a previous funding arrangement. It means that although future funding is identified, a gap results from the time a previous source of funding ends until the time when a new source of funding begins.

**Budget Period:** The length of time specified in a grant agreement during which the recipient may spend or obligate funds.

**Building Campaign or Capital Campaign:** An orchestrated campaign to raise funds for construction or renovation of buildings, purchase of equipment, or purchase of land.

**By-Laws:** Rules governing the operation of a nonprofit corporation. By-Laws often provide the methods for the selection of directors, the creation of committees, when and where annual meetings should be held, and other governing rules.

## C

**Capital Grant:** This grant is for capital expenditures such as buildings and equipment, even parking lots.

**Cash Assistance:** Means-tested benefits issued as cash, checks, or their electronic equivalents, rather than in kind (as, say, housing or medical assistance). The term is most often used for aid under TANF but also applies to SSI, General Assistance, and other programs.

**CFDA Number:** Catalog of Federal Domestic Assistance number which identifies a specific federal grant program. The CFDA is the encyclopedia of all funding programs.

**Challenge Grant:** A grant made to "challenge" the grantee to raise additional funds. This means the organization often receives the challenge, but not the funds, until the challenge has been met.

**Charitable Choice:** Provision under PRWORA that enables religiously affiliated organizations to compete for government contracts (or accept government vouchers) on an equal basis with secular service providers, without giving up the religious character of the faith-based programs.

**Cluster Analysis:** A way of applying a set of variables or characteristics to a set of cases to get groupings of similar cases. (Example of grouping: housing values.)

**Coding:** Used when doing evaluations, this process allows you to aggregate raw data into categories or classifications to facilitate data processing.

**COLA (Cost-of-Living Adjustment):** An increment to retirement benefits enabling them to keep pace with inflation; Social Security and Supplementary Security Income benefits increase each year by the change in the Consumer Price Index.

**Collaboration Funding:** A set of partners has come together to achieve a common goal or vision, usually from different organizations. This can include both public and private partners, government agencies, and even individuals.

**Community Development Corporation:** A corporation established to promote economic growth and provide financial support for community development.

**Community Foundation:** A tax-exempt, nonprofit, autonomous, publicly supported, philanthropic institution composed primarily of permanent funds established by many separate donors for the long-term diverse, charitable benefit of the residents of a defined geographic area.

**Community Groups:** Local organizations which focus on supporting projects within their communities, for example churches and civic associations.

**Community Rating Systems:** Regulations, mandated in roughly a dozen states, that require health insurance premiums in the individual insurance market to be the same, regardless of the person's age or health status.

**Community Reinvestment Act:** A law that encourages banks to provide capital for low-income housing projects.

**Conditional Grant:** A conditional grant involves one grant maker seeking the involvement of others by making their grant (only a part of the total costs of a project) conditional upon the remainder of the cost being funded from another source.

**Contributions Committee:** A group organized by a corporation to make grant decisions.

**Cooperative Agreement:** An agreement between a grant making organization and grantee which allows the grant maker some control. These agreements are often used by the government to conduct extramural clinical trials.

**Cooperative Venture:** Two or more grant makers coming together to support a program or project. Cooperative venture partners may share in funding responsibilities, contribute products or in-kind services, or simply share information.

**Corporate Foundation:** A corporate (company-sponsored) foundation is a private foundation that derives its charitable funds primarily from the contributions of a profit-making business.

**Corporate Giving Program:** A direct giving program established and administered within a profit-making company.

**Cost-Benefit Analysis:** Comparison of the costs and benefits of a project or program, which can be used to determine whether the benefits exceed the costs and which project or program maximizes net benefits.

**Cost-Effectiveness Analysis:** An analytic technique used to compare the cost and effectiveness of a project or program and thus to choose the most effective method for achieving a certain result.

**Current Population Survey:** Monthly survey of roughly 50,000 households conducted by the Bureau of Labor Statistics; primary source on labor force characteristics of the U.S. population; official source of the U.S. unemployment rate and poverty estimates.

## D

**Debt Reduction:** Also known as deficit financing. A grant to reduce the recipient organization's indebtedness; frequently refers to mortgage payments.

**Declining Grant:** A multi-year grant that becomes smaller each year, in expectation that the grantee will increase its fundraising from other sources.

**Demonstration Grant:** A grant made to establish an innovative project or program that will serve as a model, if successful, and may be replicated by others. Disseminating the findings of such a project is very important.

**Dependency Ratio:** The portion of the population that is too old or too young to work.

**Designated Funds:** A type of restricted fund in which the fund beneficiaries are specified by the grantors.

**Determination Letter:** An official notification by the IRS stating that a nonprofit is recognized as a tax-exempt organization.

**Devolution:** A shift in the focus of responsibility, decision making, or control from a higher level of government to a lower level of government (e.g., the federal government to state or local levels of government).

**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.

**Discretionary Grants:** Discretionary grants are competitive.

**Dissemination:** Refers to how you will inform others of your project and its outcome.

**Distribution Committee:** The committee responsible for making grant decisions usually within a community foundation.

**Donor Advised Fund:** A fund held by a community foundation where the donor, or a committee appointed by the donor, may recommend eligible charitable recipients for grants from the fund.

**Donor Designated Fund:** A fund held by a community foundation where the donor has specified that the fund's income or assets be used for the benefit of one or more specific public charities.

**Double Bottom Line:** The definitive benchmark for a social purpose business venture – the simultaneous creation of both a financial and social return on investment.

**Dynamic Microsimulation Models:** Strategy conceived in 1957 by Guy Orcutt; models the interacting behavior of decision makers (such as individuals, families, and firms) within a larger system by taking a base population sample of decision makers and aging the population forward.

**Dynamic Simulation:** Computer simulations of how individuals, households, or firms alter their work, saving, investment, or consumption behavior in response to changes in a law or policy, and the effect of those feedback effects on tax revenues.

## E

**E-Application:** An electronic, web-based, grant application system.

**E-Philanthropy:** The numerous ways to secure funding using the internet is termed E-Philanthropy.

**Earned Income:** Payments received in direct exchange for a product, service or privilege. Earned income for a nonprofit includes such elements as tuition and fees for service, commercial products or services, government contracts, consulting fees, membership dues (when dues purchase tangible benefits), sale of intellectual property, agreement to use the nonprofit's identity, property rentals, etc.

**Earned Income Strategies:** Attempts to capitalize on the earned income potential of a program or other organizational asset (property, intellectual capital, reputation, etc.) in order to cover part or all of the program's costs or to offset a portion of the organization's overall expenses.

**Employee Matching Grant:** A contribution to a nonprofit organization by an individual, that is matched by a contribution from his or her employer. Many corporations have employee matching-gift programs.



**Empowerment Zone:** Small rural and urban geographic areas of economic distress eligible for special grants, business training, improved access to capital, tax benefits, and regulatory relief aimed at encouraging economic development and greater opportunity.

**Entitlements:** Payments to individuals, governments, or businesses which, under law, must be made to all those eligible and for which funds do not have to be appropriated in advance. Social Security, Medicare, Medicaid, and TANF are among the entitlement programs.

**Evaluation:** A systematic process designed to reduce uncertainty about the effectiveness of a project and its results.

**Evaluation Grant:** A grant made to a successful pilot project and requires a formal external evaluation before seeking major support or sponsorship. The evaluation grant works as a leveraging tool, allowing the recipient to seek further funding with accurate, extensive and impartial information of their project.

**Expenditure Responsibility:** When a foundation makes a grant to an organization that is not classified by the IRS as a 501(c)(3), it is required by law to ensure that the funds are spent for charitable purposes and not for private gain or political activities. Such grants require a pre-grant inquiry and a detailed, written agreement. Special reports on the status of the grant must be filed with the IRS, and the grantees must be listed on the foundation's IRS Form 990-PF.

## F

**Faith-Based Organizations:** There is no standard or accepted definition of a faith-based organization, but the term generally denotes religious congregations, religion-based social service organizations (e.g., Catholic Charities or the Salvation Army), and other types of organizations that might have a religious affiliation or identity.

**Federal Fiscal Year:** The period commencing October 1 and ending September 30 of the following year. For example, fiscal year 2004 runs from October 1, 2003 to September 30, 2004.

**Federalism:** A system of government in which power and fiscal responsibility are divided between a central authority and constituent political units (federal government and state governments); usually identified with giving more power to the states.

**Federal Poverty Levels:** The levels of pre-tax cash income below which families are considered to be officially "poor." These thresholds vary by family size and, when established in 1965, were set at three times the cost of a minimally adequate diet. These levels are updated each year to track the increase in the Consumer Price Index.

**Federated Giving Program:** A joint fundraising effort usually administered by a nonprofit organization that in turn distributes the contributed funds to numerous nonprofit agencies. United Way is an example of a Federated giving program.

**Field of Interest Fund:** A fund held by a community foundation that is used for a specific charitable purpose such as arts, education, sports, or health research.

**Financial Report:** An accounting statement detailing financial information, including income from all sources, expenses, assets, and liabilities.

**Financial Sustainability:** The extent to which a nonprofit is able to pursue its mission indefinitely through any or all of the following: earned income, charitable contributions and public sector subsidies.

**Fiscal Sponsorship:** Affiliation with an existing nonprofit organization for the purpose of receiving grants.

**Flow-Through Funds:** Contributions to a foundation that are used primarily for direct grant making rather than for endowing the foundation. Most corporate foundations depend on these funds each year rather than on income produced from an endowment.

**FMAP (Federal Medical Assistance Percentage):** The proportion of Medicaid expenditures for which states receive federal reimbursement. The proportions, which vary by state per capita income, range from a minimum of 50 percent to nearly 80 percent for the poorest state.

**Formula Grants:** Grants administered by the federal government to provide funding to specified grantees on the basis of a specific formula, using indicators, for example per capita income, mortality or morbidity rates, outlined in legislation or regulations such as certain substance abuse programs.

**FQHC (Federally Qualified Health Center):** A nonprofit medical facility that serves underserved populations or areas. Services provided by FQHCs are covered under Medicaid, and federal law defines how FQHCs are paid for providing these services.

**Funder:** A grant maker or funding source.

**Funding Cycle:** A chronological pattern of proposal review, decision-making, and applicant notification. Some funders make grants during set cycles - quarterly, semi-annually, annually - while others award grants based on grant deadlines.

## G

**Gateway Cities:** U.S. cities that have historically attracted a disproportionate number of immigrants as ports-of-entry.

**General Assistance:** State-funded and administered programs that provide cash to some low-income individuals and families who do not qualify for cash assistance benefits under federal programs.

**General Revenue Sharing:** An entitlement program that transferred federal funds to state and local governments with few restrictions on its use. Congress enacted revenue sharing in 1972 but allowed the program to expire in 1986.

**General Support:** A grant made to further the general purpose or work of a nonprofit organization, rather than for a specific purpose or project; also referred to as operating support.

**Goals:** The vision, or "ends," of your project.

**Grantee:** The individual or organization that receives a grant.

**Grantor:** The individual or organization that makes a grant.

**Grant Report:** A report detailing how grant funds were used by a nonprofit organization (the grantee). A financial report generally includes a listing of all expenditures from grant funds as well as an overall organizational financial report covering revenue and expenses. Sometimes grant makers require an audited financial report. This is very common with Federal and State grants.

**Grassroots Fundraising:** Efforts to raise money from individuals or groups within the local community on a broad basis.

## H

**Human Capital:** Knowledge and skills that workers acquire through education, training, and experience.

## I

**In-Kind Contribution:** A donation of goods or services rather than cash or appreciated property.

**Institutional Development/Capacity Building:** Investments that seek to strengthen an organization so it can better achieve its mission. These types of grants can pay for board and staff training, recruitment, new software and hardware, management, financial audits, salary assessments, and development/fundraising efforts, and can include anything that will promote organizational growth. These grants are often awarded for two years or more.

**IRS Form 990:** An annual document that public charities and foundations use to report specific financial and operational information to the federal government. Perform a name or EIN search using [GuideStar](#) to view the IRS Form 990 online.

**IRS Form 990-PF:** IRS information form that private foundations submit annually.

## J

**Joint Funding:** A program or project supported by more than one grant maker.

## L

**League Table:** An approach commonly used in the public health literature for comparing rank-ordered outcomes—often in the form of cost-effectiveness ratios—across similar interventions.

**Leapfrogging:** The movement of urban development from metropolitan areas to non-metropolitan areas as a result of government influence on decentralization.

**Letter of Denial:** A letter declining or rejecting a grant request. Some letters of denial explain why the grant was not made, but many do not.

**Letter of Intent, Letter of Inquiry, or Preliminary Proposal:** A grant seeker's letter or brief statement indicating intention to submit a full proposal and apply for funding. This letter is used by the funder to determine if there is sufficient interest to warrant requesting a full proposal.

**Leverage:** A method of giving practiced by some funders. Leverage occurs when a small amount of money is given with the express purpose of either attracting funds from other sources or providing the organization with the tools it needs to raise other funds.

**Limited Purpose Foundation:** A type of foundation that restricts its giving to one or very few areas of interest, such as higher education or medical research.

**Loan Flipping:** Repeated refinancing of an existing loan to generate additional fee income. This practice results in high fees, including prepayment penalties, that strip the equity in the borrower's home.

**Logic Model:** A logic model, sometimes called an input-output model, helps make visually explicit various assumptions about a specific program. There are five essential elements of a logic model: resources, activities, outputs, outcomes, and goals.

**Low-Income Housing Credit:** A tax credit given to investors for the costs of constructing and rehabilitating low-income housing. A limited amount of credits is allocated to state housing agencies, which distribute the credits to qualifying projects.

## M

**Managing for Results:** Managing an agency with concern for the quality, outcomes, and efficiency of the services it provides, usually including a formal performance measurement process that provides information on these factors.

**Matching Gifts Program:** A grant or contributions program that will match employees' or directors' gifts made to qualifying educational, arts and cultural, health, or other organizations.

**Matching Grant:** A grant or gift made with the specification that the amount donated must be matched on a one-for-one basis or according to some other prescribed formula.

**Methods or Work Plan:** Describes the steps to be taken to achieve the desired results. The format of this section may be in narrative, outline, graph, or chart forms.

**Metropolitan Statistical Area (MSA):** An economically integrated region including and surrounding a central city; areas in an MSA outside the central city are suburbs.

**MOE (Maintenance of Effort):** The amount that a state must spend from its own funds to receive its full allocations under a federal grant program. Requirements are typically based on historic spending levels.

## O

**Objectives:** Objectives are measurable within the context of your project. They are the "means" by which you will work toward the goal. Objectives relate clearly to your work plan, budget, and statement of need.

**Operating Expenses:** All sums spent on programs, salaries, fundraising, general administration, and operations.

**Operating Foundation:** These foundations run their own programs, and they make few if any grants to outside organizations.

**Operating Support or General Support:** A contribution given to cover an organization's day-to-day, ongoing expenses, such as salaries, utilities, office supplies, rent or mortgage payments, insurance, accounting costs, etc.

**Outcomes:** The effects, the results, or the consequences of program activities; term denoting the effects of programs (e.g., crime reduction or cleaner streets) as opposed to the immediate "outputs" of programs (such as number of reports completed).

**Out Year:** In budget parlance, a future year beyond the period over which budget costs are tallied. In recent practice, that would be after the 10th year.

## P

**Partnership Funding:** A grant program where various "partners" participate in providing funds for a particular program or project. Sometimes it is a partnership between a government agency and private philanthropy.

**Payout Requirement:** The minimum amount that private foundations are required to expend for charitable purposes (including grants and, within certain limits, the administrative cost of making grants). In general, a private foundation must meet or exceed an annual payout requirement of five percent of the average market value of its total assets.

**Performance Contracting:** Government's contracting with other organizations to provide services to customers with outcome-based performance targets included in the agreement.

**Performance Indicators:** Data-based measurements that indicate progress toward achieving outcomes.

**Performance Measurement:** Measurement on a regular basis of the results and efficiency of services or programs.

**Pilot Funding:** Pilot projects are those projects undertaken as a test. It is usually a bit of a gamble on the part of the funder, a trial to see if a particular approach will succeed in addressing a specific problem.

**Planned Giving Program:** A strategic, long-term giving technique designed to assist individuals in making significant gifts to charitable organizations. Planned giving involves various vehicles for making those gifts, including cash, securities, real estate, life insurance, charitable remainder trusts, and many other such methods.

**Pledge:** A promise to make future contributions to an organization.

**Prisoner Re-entry:** The process of leaving prison and returning to society.

**Private Support:** Money received from individuals, foundations, corporations, clubs, and associations.

**Program Officer:** A staff member of a foundation or corporate giving program who processes grant applications for the review board. This is usually the person you should talk with when you contact a grant maker to ask questions.

**Program Related Investment (PRI):** A no-interest or low-interest loan, the terms of which are usually quite flexible, made by a funder. Funders make PRIs to help nonprofits leverage funds. PRIs are often used to develop low-income housing, but they can also be used in support of fundraising events, or to create an earned-income venture for the nonprofit.

**Public Support:** Money received from the government.

## Q

**Qualifying Distributions:** Expenditures of a foundation made to satisfy its annual payout requirement.

## R

**Refugee/Asylee:** A person admitted to the U.S. because of fear of persecution in the home country.

**Research Funding:** A grant made for a specific and clearly defined purpose: to test a hypothesis or undertake research. These grants are most often awarded to an academic institution and directed toward a particular staff member.

**Restricted Funds:** Income or assets of a foundation that are restricted in their use, in the types of organizations that may receive grants from these funds, or in the procedures used to make grants from such funds.

**Restricted Income:** Contributions designated for a specific purpose.

**Return on Investment:** ROI – an index of financial profitability that measures the net result of operations as a percentage of funds invested; an indicator of business success.

**RFA - Request for Application:** Announcement inviting proposals for a specified contract in support of a particular project or service.

**RFP:** A Request for Proposal, or RFP, is issued by grant makers to actively solicit grant proposals. The RFP usually provides a description of what the grant maker wants to fund and the application procedures.

## S

**Safety Net:** Broad set of welfare policies that make up the income-support system.

**Seed Funding:** Assists with the establishment of a new organization or project. This type of grant is generally given to a small project at an early stage of its development. The organization usually needs to undertake additional planning and development efforts to expand further. The purpose of seed money is to nurture a project or organization through its formative stages.

**Self-Sufficiency:** The extent to which a nonprofit is able to pursue its mission indefinitely through earned income alone without relying in whole or in part on charitable contributions or public sector subsidies.

**Set-Asides:** Funds set aside by a foundation for a specific purpose or project that are counted as qualifying distributions toward the foundation's annual payout requirement.

**Site Visit:** Visiting a grantee organization at its office location or area of operations and/or meeting with its staff or board of directors or with recipients of services.

**Social Capital:** Cooperative networks that permit individuals to work together for mutual goals.

**Social Enterprise:** Any earned-income business or strategy undertaken by a nonprofit for the purpose of generating revenue in support of the nonprofit's social mission.

**Social Entrepreneurship:** The art of persistently and creatively leveraging resources to capitalize upon marketplace opportunities in order to achieve sustainable social change.

**Social Purpose Business:** A discrete division, subsidiary or related corporation of a nonprofit or a for-profit company that deliberately pursues financial and social returns within a specific industry segment in the commercial marketplace.



**Social Return on Investment:** SROI – the non-financial outcomes created by a social enterprise, measured in terms of the nonprofit’s mission, e.g. people served or jobs created, average salaries paid, amount of transfer payments eliminated, etc.

**Social Venture Fund:** Funds whose donors invest their expertise as well as their money, providing support and requiring accountability of nonprofit organizations just as venture capitalists do in business enterprises.

**SSPOC:** Single State Point of Contact (state contact that an organization must use when applying for certain federal grants).

**Statistical Significance:** A measure of the likelihood that a relationship would occur purely by chance. Thus, a statistical estimate of the effects of a program may be said to be significantly different from zero at the 5 percent level if there is less than a 1 in 20 chance that the effects could have occurred purely by chance.

## T

**TANF (Temporary Assistance for Needy Families):** A grant program to states, enacted as part of PRWORA, that seeks to promote state flexibility; keep children in their own homes or homes of relatives; end parental dependence on welfare by promoting job preparation, work, and marriage; discourage pregnancy outside of marriage; and encourage formation and maintenance of two-parent families.

**Technical Assistance:** Operational or management assistance given to a nonprofit organization. It can include fundraising assistance, budgeting and financial planning, program planning, legal advice, marketing and other management assistance.

**Temporary Legal Resident:** A holder of a work, student, or other visa.

**Third-Party Evaluation:** An evaluation done by someone outside the organization (external).

**Triple Bottom Line:** A business venture’s simultaneous pursuit of beneficial outcomes along three dimensions: economic, social and environmental.

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

## U

**UDAG (Urban Development Action Grant):** Grant intended to stimulate private investment in low-income cities and urban areas by providing federal seed money to attract private funds for revitalization.

**Uncompensated Care:** Healthcare delivered free of charge to the user for charity's sake.

**Unrelated Business Income:** Earned income derived from the sale of products or services that are not directly related to the charitable purpose of a nonprofit organization. Such revenues may be subject to federal tax and, at significant levels in proportion to total nonprofit income, may jeopardize the tax-exempt status of a nonprofit corporation.

**Unrestricted Funds:** Normally found at community foundations, an unrestricted fund is one that is not specifically designated to particular uses by the donor, or for which restrictions have expired or been removed.

**Unrestricted Income:** Contributions received for general operating purposes.

**Urban Development Action Grant:** Grant intended to stimulate private investment in low-income cities and urban areas by providing federal seed money to attract private funds for revitalization.

**User Fees:** Charges for goods and services provided.

**User Surveys:** Surveys of all, or of a representative sample of, customers who have used a particular service or product.

## V

**Value-for-Money Auditing:** Audits in which the auditors examine the outcomes that a service or program has achieved in relation to the funds expended.

**Venture Philanthropy:** The application by donors of principles traditionally associated with venture capitalists to improve the capacity or performance of a nonprofit organization or social enterprise. Engaged philanthropy practices typically involve a combination of funding and expertise, more direct engagement with leadership, long-term funding relationships (three to six years), performance monitoring, and an exit strategy.

**Virtual Foundation:** Refers to the transition from grant making through mail and face-to-face meetings to grant making by email and internet transfers. Such a foundation may exist only on the internet and be capable of transferring money from philanthropists to organizations globally.

## W

**Welfare Magnet:** The idea that poor people are more likely to move to states with more generous welfare benefits.