Terms and Definitions

Advocacy
The act or process of writing or speaking in favor of, or supporting, a cause

Audit
Verification or examination of financial accounts or records

Beneficiary
The grantee receiving funds from a foundation or corporate giving program is the beneficiary, although society benefits as well; a person receiving a gift through a will

Budget
The total amount of money allocated for a certain purpose including both income and expenditures

Campaign
A series of steps, operations, or actions planned to achieve a goal

Capacity
Innate ability for growth, development, or accomplishment

Challenge grant
A grant awarded that will be paid only if the applicant organization is able to raise additional funds from another source(s)

Charitable deduction
The portion of a gift/donation (money or property) that can be deducted from the donor's income subject to federal, or sometimes state, income tax

Civic engagement
A person’s connections with the life of their communities

Community foundation
An organization that makes grants for charitable purposes in a specific community or region. Funds are usually derived from many donors and held in an endowment independently administered; income earned by the endowment is then used to make grants

Community service
Volunteering to improve upon aspects of a community; service performed by groups or individuals to benefit the common good

Consensus
A general agreement; a collective opinion
**Corporate or Company-sponsored Foundation**
A private foundation whose grant funds are derived primarily from the contributions of a profit-making business organization. Examples include Dow Chemical Foundation and the Ford Motor Company Fund

**Donor**
One who gives, donates, or contributes; individual or organization that makes a grant or contribution

**Endowment**
Funds intended to be kept permanently and invested to provide income for continued support of an organization

**Family Foundation**
An independent private foundation whose funds are derived from members of a single family

**Fiduciary**
Relating to or pertaining to the holding of something in trust

**Independent Foundation**
A grant-making organization usually classified by the IRS as a private foundation; operates independently from its original donors or original source of funds

**Matching grant**
A grant that is made to equal funds provided by another donor

**Nonprofit organization**
A term describing the Internal Revenue Service's designation of an organization whose income is not used for the benefit or private gain of stockholders, directors, or any other persons with an interest in the company; separate tax treatment exists based on whether it is charitable or not

**Philanthropy**
The giving of time, talent or treasure. The effort or inclination to increase the wellbeing of humankind, by charitable aid or donations.

**Private Foundation**
A nongovernmental, nonprofit, organization with funds and program managed by its own trustees or directors that was established to maintain or aid social, educational, religious or other charitable activities serving the common welfare, primarily through the making of grants

**Proposal**
A written application, often with supporting documents, submitted to a foundation or corporate giving program in requesting a grant

**Foundation**
An organization, recognized by the IRS as not-for-profit, with the goal of enhancing the quality of life through grantmaking.
Endowment
A permanent fund of money donated to an institution, individual, or group that is to be used for a specific purpose.

Fund Development
The growing of endowment funds through the development of long-term relationships with current and potential donors or supporters of a foundation.

Grantmaking
The process of giving funds for a specific purpose.

Challenge Grant
A type of grant used to stimulate giving from other organizations or donors by providing funds only if the grant recipient is able to leverage matching money from other sources.

Proactive Grantmaking
The process by which a grantmaker, after assessing the needs of its community, requests proposals for grants on a targeted issue or works with a specific organization to positively affect its community.

Grant Cycle
Period of time in which foundations accept and evaluate grant proposals, and decide how to distribute funds.

RFP (Request For Proposals)
An invitation for organizations to submit grant proposals targeted at the types of programs or issues that the grantmaker wants to support.

Youth Empowerment
Process by which young people gain the ability and authority to make decisions and implement change in their own lives and the lives of other people.

PR (Public Relations)
The use of various tools (i.e. press releases, interviews, social media, etc.) aimed at promoting the mission and/or work of an organization.

Needs Assessments
Methods of determining the areas of greatest concern within a community to better inform the grantmaking and service priorities of an organization.

Community Service
Volunteer work done by individuals and organizations to benefit the community.
**Donor**
Anyone who gives resources - financial, social, intellectual and time - to a nonprofit organization, public charity or fund.

**Form 990**
The annual federal return that tax-exempt 501(c)(3) organizations must file with the IRS.

**Nonprofit Organization**
A term describing the IRS designation of an organization whose income is not used for the benefit or private gain of people with an interest in the organization. The organizational income must be used solely to support its operations and stated purpose.