



Do You Speak the Fundraising Language?

501(c)(3) - Organizations that are nonprofit entities to which contributions are tax-deductible to the extent permitted by law.

Annual Fund/Annual Campaign - Any organized effort by a nonprofit to solicit contributions annually.

Annual Operating Budget - An itemized listing of the amount of all estimated support and revenue which an organization anticipates receiving, along with a listing of all estimated costs and expenses that will be incurred in the operation of the organization over one fiscal year.

Annual Report - A document issued each year to provide donors and prospective donors with information about organizational income, expenditures, programs, and progress.

Audited Financials - An examination and verification of records or accounts by a certified individual to assure accuracy.

Board Member - An individual who serves on the governing board of an organization.

Capital Campaign - An intensive, time limited fundraising endeavor to meet a specific financial goal in order to fund a special project such as the construction of a facility or the acquisition of equipment. Also used to describe a major campaign with a wide scope of project goals.

Community Foundation - a tax-exempt organization serving a specific geographic area and enabling residents of that area to establish endowed funds for charitable giving without the costs of establishing individual private foundations.

Contribution - An unconditional transfer of cash, other assets, forgiveness of debt or in-kind goods to an organization for no consideration.

Director - A person selected by the membership of a nonprofit corporation or the board of directors to serve as a person in charge of the overall policy of a nonprofit corporation, including the selection of officers.

Donee - A charitable organization receiving a gift (or the pledge of a gift) from a donor.

Donor - A person making a donation to a charitable organization.

Donor-Imposed Condition - A donor stipulation that specifies a future event whose occurrence or failure to occur releases the donor from his or her obligation.

Donor-Imposed Restriction - A donor stipulation, temporary or permanent, that specifies a use for a contribution.

Endowment Fund - A fund established to provide income for the maintenance of a nonprofit organization. Endowment funds generally are established by donor-restricted gifts and are limited in use to the purpose originally dictated by the donor. The principal of a permanent endowment must be maintained permanently.

Form 990 - Annual return required by Internal Revenue Service of all organizations exempt from income tax as specified under section 501c of Internal Revenue code.

Fundraising - The organized activity, or an instance, of soliciting assets or pledges of assets for a charitable organization.

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

IRS Letter of Determination - Current and official documentation issued by the Internal Revenue Service verifying an organization's tax exempt status.

Planned Giving - A method of raising funds from substantial gifts in the form of bequests, life insurance and charitable annuities which are often, but not always, planned as donations upon the death of the donor.

Pledge - A written or oral agreement to contribute cash or other assets to a nonprofit. A promise to give may be either conditional or unconditional.

Social Venture Funds - Charitable 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.

Target Population - The audience to be served by your project including key demographic information (i.e.; age, ethnicity, geographic area of residence, etc.).

Trust - A legal device used to set aside assets of one individual for the benefit of one or more persons or organizations.

Unrestricted Support - Revenues or gains from contributions that are not restricted in any way by donors.

Definitions from www.nonprofit.about.com