

Appendix 1 – Glossary of terms used by the (independent) funding community

ANNUAL REPORT

A detailed statement published by a foundation or corporation describing its grant activities. A growing number of foundations and corporations use it to inform the community about contribution activities, policies and guidelines.

ASSETS

The amount of capital - money, stocks, bonds, real estate or other resources - of the foundation. Generally assets are invested and the income used to make grants.

BEQUEST

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

CHALLENGE GRANT

A grant made on condition that the funded project has other sources of money, either on a matching basis or via some other formula, usually within a specified period of time. Also called a matching grant.

CAPITAL SUPPORT

Funds provided for durable goods, those that have an average life of at least three years (automobiles, buildings, furniture and general equipment).

CHARITABLE TRUST

See Trust.

CITIZENS' ASSOCIATIONS

Civic organisations recognised as non-governmental, grant-seeking associations and voluntary organisations.

COLLECTIVE PATRON

A foundation or association which houses and manages the funds of smaller individual foundations and/or corporate-giving programmes. Examples include Charities Aid Foundation, Fondation de France and the Stifterverband für die Deutsche Wissenschaft.

COMMUNITY FOUNDATION

An organisation which makes grants limited to a specific locality, such as a city, a county or an estate. Funds are usually derived from many donors and held in an independently administered endowment; income earned by the endowment then being used to make grants.

COOPERATIVE VENTURE

A joint effort by two or more grant-makers. The partners may share funding responsibilities or contribute information and technical resources.

CORE FUNDING

Grant request to finance administrative and organisational tasks.

CORPORATE FOUNDATION

A private foundation whose grant funds are derived primarily from the contributions of a profit-making business organisation. The company-sponsored foundation may maintain close ties with the donor company, but it is an independent organisation with its own endowment and is subject to the same rules and regulations as other private foundations.



CORPORATE CITIZENSHIP

Corporate citizenship is an approach taken by companies which donate their services and resources to the community in which their plants are located or in which they operate. Companies may invest through the awarding of grants, through promoting volunteer service by their employees, by matching employee gifts to non-profit organisations, through in-kind gifts, and even by the loaning or secondment of corporate executive staff.

COVENANT

An agreement or written promise to pay an agreed sum of money to a designated person at regular intervals over a specified period of time. Where provision is made to donate to a registered charitable organisation, the donor may be entitled to tax benefits.

DEFICIT FUNDING

Funding which is to be used to finance an excess of expenditure.

DIRECT MAIL

Write request for a gift distributed and returned by mail. It is not appropriate for all non-profits, but it could be useful to organisations with limited budget or limited popular appeal to broaden their donor base and increase their income.

DONOR

Also called grant-maker. The individual or organisation that makes a grant.

EMPLOYEE MATCHING GIFT

A contribution to a charitable organisation by a corporate employee which is matched by a similar contribution from the employer.

ENDOWMENT

Funds intended to be kept permanently and invested to provide income for continued support of an organisation.

E-PHILANTHROPY

This term describes the variety of methods of giving using the Internet. Many sites have been developed to accept donations in addition to providing information regarding non-profit groups.

FUNDING CYCLE

The whole process from presentation and revision of the proposal to reporting on results after the decision-making process.

GRANT / GRANTEE

Award or funding received by an organisation or individual to finance their charitable activities. Those individuals or organisations that receive the grant are called grantees.

GRASSROOTS ORGANISATIONS

Organisations which usually operate at a local/community level. A grassroots organisation is usually, but not exclusively, a service organisation that attempts to foster particular programmes and projects in the local environment in which it is based.

GUIDELINES

A statement of a foundation to put forward the goals, priorities, criteria and procedures for applying for a grant.

IN-KIND CONTRIBUTIONS

A contribution of equipment, supplies or other such property as distinct from a financial grant. Some organisations may elect to donate office space or staff time as a contribution in kind.

LETTER OF ENQUIRY

Letter outlining an organisation's activities and its request for funding. Sent to a foundation or corporate-giving programme to find out whether it would be appropriate to submit a full grant proposal. Many grant-makers prefer to be contacted initially in this way prior to a full proposal being submitted.



LETTER OF REFUSAL/ DECLINATION

Letter sent by a foundation or corporate donor to explain why the project was not awarded a grant.

MATCHING SUPPORT

Funding which is made to match funds provided by another donor.

MULTI-YEAR GRANT

Funding that is received in instalments paid as the project is developed.

ONE-OFF GRANT

Award of a fixed amount of money to fund the whole or a part of a project.

OPERATING FOUNDATION

Foundations whose primary purpose is to conduct research, social welfare or other programmes determined by its governing body or establishment charter. Some grants may be made, but the sum is generally small relative to the funds used to underwrite the foundation's own programmes.

PHILANTHROPY

A term used to describe voluntary giving by an individual or a group to promote the common good. It also includes foundations and corporate donors giving programmes to nonprofit organisations.

PLEDGE

A time payment plan for dues, which allow the donor to pay in several instalments and allow the group to receive more money. A popular renewable source of money is a pledge that is a promise to pay a certain amount of money per time period.

PROGRAMME AREA

A subject area or topic that a funder has an interest in and provides funding for or has operational interests in (e.g.) medical research, scholarships, the arts). Indicates a donor's priorities.

PROGRAMME OFFICER

A staff member of a funder who reviews grant proposals and processes applications for the board of trustees. They are the first people in the selection process.

PROPOSAL

A written document submitted to a foundation or corporate donor explaining the project for which you are looking for funding. It should be divided into the following sections:

SEED MONEY/START-UP SUPPORT

A grant or contribution used to start a new project or organisation. Seed grants may cover salaries and other operating expenses of a new project.

SOCIAL ENTREPRENEURS

Individuals who engage in social enterprise and draw upon the best thinking in both the business and non-profit worlds in order to advance their social agenda.

TECHNICAL ASSISTANCE

Operational or management assistance given to non-profit organisations. It can include fund-raising assistance, budgeting and financial planning, programme planning, legal advice, marketing and other aids to management. Assistance may be offered direct by a foundation or corporate staff member or in the form of a grant to pay for the services of an outside consultant.

TRUST (CHARITABLE TRUST)

In the United Kingdom, a charitable trust is a trust established with the aim of benefiting the public, e.g. for the advancement of medical research, education or the arts, or the improvement of human welfare.

TRUSTEE

A member of a governing board. Boards of trustees meet to review grant proposals and make decisions. Often referred to as 'director' or 'board member'.

