



NONPROFIT LINGO

Guide by Nonprofit Hub





Nonprofit Lingo Guide

Have you ever had a conversation when someone used an acronym that you didn't understand, maybe too embarrassed to ask the meaning of it?

It's happened to the best of us. But fear no more; the Nonprofit Lingo Guide is here!

We listed some of the most common nonprofit words and phrases and defined them for you.

This guide will now become your ultimate cheat sheet to refer to when encountering unfamiliar words in the nonprofit space.

Download or bookmark this PDF, and check out the definitions below!



Terms - A

Advancement

Advancement refers to the overarching plan for moving an organization forward through a comprehensive approach, including fundraising, consistent relationships, marketing and communications, and other functions

Advocacy

Advocacy is the active participation of individuals or organizations to promote, uphold, and educate the benefits of a mission or cause

ALICE

ALICE is an acronym for Asset Limited, Income Constrained, Employed and represents the growing number of families who live above the poverty line but are still not able to afford the basics of housing, child care, transportation, health care, and technology.

Annual Campaign

An annual campaign is an organized effort by a gift-supported organization to obtain gifts yearly, usually in support of totally general operations.

Annual Report

An annual report is a comprehensive publication that nonprofits use to highlight their performance during the previous year. Well-rounded annual reports often highlight current achievements, expand on future goals, thank supporters, and inspire all readers. While printed documents were once the norm, many nonprofits are switching to digital formats for their annual reports.

Appeal

A fundraising appeal is a way in which a nonprofit organization asks for financial support from its donors. Fundraising appeals are sent to supporters annually, encouraging them to donate.

Appreciated Stock

Appreciated stock is securities that are worth more today than when they were acquired. Donors who give organizations stock that has been acquired donate a larger gift than if they were to sell the stock and donate cash.





B

Bequest

Bequests are gifts that are made as part of a will or trust. They can be to a nonprofit organization, trust, or foundation in any amount.

Board Resolution

A board resolution is a formal document that solidifies important decisions that the board of directors makes in writing. Boards usually write up board resolutions when they appoint new directors to the board.

Bricks and Mortar

Brick and mortar refers to a traditional street-side business that offers products and services to its customers face-to-face in an office or store that the business owns or rents.

Bylaws

Bylaws are a nonprofit organization's operating manual. They define the size of the board, and it will function, roles and duties, and rules and procedures.

C

Capacity

Capacity is the maximum output level an organization can sustain to provide its products or services.

Capacity Building Grants

A capacity building grant is a sum of money that a foundation offers to a nonprofit to work on new strategies, develop competencies, and improve processes and systems to improve efficiency.

Capital Expense

Capital expenses are needed to acquire or maintain fixed assets such as building, land, or vehicles.



C

Capital Campaign

A capital campaign is a targeted fundraising effort. With a capital campaign, an organization seeks to raise significant funds during a specified duration of time. These campaigns often fund new buildings, large renovation projects, building endowments for the future, or other significant goals.

Case Coordination

Case coordination is the way a nonprofit tracks goals, delivers services, and measures outcomes for a client throughout their entire journey with a nonprofit.

Case Statement

A case statement is a document created by the nonprofit that explains why the organization needs financial support and how those funds would be utilized.

Chairperson

The chairperson provides leadership to a nonprofit organization's board of directors who sets policy. The chairperson works with the executive director to formulate agendas and encourage the board's role in strategic planning.

Civic

Civic relates to the duties or activities of people in relation to their town or local area.

Collaboration

Collaboration usually involves a more durable and pervasive relationship between two or more organizations that results in a new structure and shared mission.

Community Foundation

Community foundations are grantmaking public charities that seek to support people within a certain geographical area. These organizations work to improve communities and also support other nonprofit organizations.

Conflict of Interest

A conflict of interest exists when a member of the organization has a personal interest that may influence them when making decisions.



C

Continuum of Care

The continuum of care program is designed to promote communitywide commitment to the goal of ending homelessness; providing funding for efforts by nonprofit providers and state and local governments to quickly rehouse homeless individuals and families while minimizing the trauma and dislocation caused to homelessness.

Corporate Foundation

A corporate foundation is the charitable vehicle of a for-profit corporation, which provides the funding for grants.

Crowdfunding

Crowdfunding refers to the method of fundraising by requesting small amounts of money from a large number of people. Typically, the goal of crowdfunding is to fund a particular project, venture, or need for assistance. Today, crowdfunding is usually done via the Internet, with platforms like GoFundMe rising in popularity.

Cryptocurrency Donations

Cryptocurrency can be donated to organizations just like any other appreciated assets such as stock or business interests. The IRS classifies cryptocurrency as property and, therefore, tax deductible.

D

Designated Funds

A designated fund is set aside for a specific end by the nonprofit itself. This provides a consistent income stream for a specific nonprofit or program you care about.

Director

A person who is in charge of an activity, department, or organization. OR a member of the board of people who manages or oversees an organization.



E

Earned Revenue

Earned revenue is money that a nonprofit organization earns for providing goods or services.

Endowment

An endowment is money or property given to an institution for a specific purpose. An endowment fund is money invested to earn revenue to fund some type of charitable activity.

Estate Gift

An Estate gift is a gift of a donor's will, life insurance policy, registered account, or trust.

Executive Director

A person in an executive director role is in the highest leadership position within a nonprofit organization. An executive director will usually oversee operations, work closely with the board of directors, and manage employees and volunteers.

F

Family Foundation

A family foundation is a type of private foundation set up by a family, funded with the family's assets, and often run by family members who can also participate in its charitable grantmaking.

Feasibility Study

Nonprofit feasibility studies are specifically designed to assess an organization's readiness for a large project. They capture perceptions from key stakeholders regarding your organization and the project in question.

Felt Need

Felt needs are changes deemed necessary by people to correct the deficiencies they perceive in their community.



F

Financial Statements

Earned revenue is money that a nonprofit organization earns for providing goods or services.

Fiscal Sponsor

A fiscal sponsor is a nonprofit organization that provides fiduciary oversight, financial management, and other administrative services to help build the capacity of charitable projects.

Form 990 & 990 PF

Exempt organizations must file a tax return called Form 990 with the IRS each year to comply with federal regulations. Public charities file a Form 990, and private foundations file a Form 990-PF

Fund Development

Fund development is the ongoing strategic positioning of an organization to sustain and grow its resources by building relationships with those who understand and care about the organization's relevance to the community.

Funding Cycle

Funding cycle is the annual period of time during which a funder makes funds available for distribution. It is the time between the start of the application submission and the appropriation of project funds.

G

Giving Tuesday

Giving Tuesday is a global movement encouraging people to give back to charity. Giving Tuesday takes place each year on the Tuesday following Thanksgiving. For nonprofits, this can be the biggest fundraising day of the year.



G

Governance

Nonprofit governance means how your nonprofit is administered. The board of directors takes the greatest action in governing practices.

Grassroots Fundraising

Grassroots fundraising is a method used by nonprofits that involve gathering lots of recurring donations from individual contributors, supporters or donors rather than large one-time donations.

Guidelines

Guidelines are general rules, principles, or regulations an organization has implemented.

I

Impact Investing

Impact investing is the act of purposefully making investments that help achieve certain social and environmental benefits while generating financial returns.

In-Kind

In-kind donations are goods and services used to fulfill the nonprofit's mission. They're also known as gifts-in-kind, donated services, or in-kind contributions

IRS Determination Letter

The IRS determination letter notifies a nonprofit organization that its application for federal tax exemption under Section 501(c)(3) has been approved.



L

Lead Gift

A lead gift is a gift or grant that represents 10-20% of your fundraising goal. You need to know your goal to determine the size of the potential lead gift.

Legacy Gift

A legacy gift is a planned future gift from a donor's will that is given to a nonprofit upon the person's death. Legacy giving is commonly roped into the broader term of "planned giving." It's a way for donors to leave a philanthropic legacy and for nonprofits to improve long-term sustainability.

Letter of Support

A letter of support is an outside testimonial that backs up a nonprofit's claims of success and promises to deliver.

Lobbying

Lobbying is a communication to legislators or urging the public to contact legislators intended to influence specific legislation.

M

Major Gift/Donor

Major gifts are the largest donations that a nonprofit receives. Major donors give the largest gifts.

Matching Grant

A matching grant is a conditional award requiring the applicant to raise a specific amount of funds to receive the award. Matching grants can be an effective way for organizations to raise funds for smaller projects, particularly if they have good community support.

Merchant Account

A merchant account is a bank account that allows a nonprofit to accept online donations via credit or debit cards.



M

Minutes

Minutes refer to a written record of what takes place during a meeting. For the board of director meetings, minutes are more than just a set of notes—they provide official documentation of actions and decisions.

N

Non-Cash Asset

A non-cash asset can be any item of appreciating value, like a privately held stock, farm equipment, real estate, or cryptocurrency.

Nonprofit Banking

A nonprofit needs financial services such as a bank account to collect revenues, pay vendors, and invest in operations to achieve their mission.

O

Officer

Nonprofit officers are elected or appointed by the board of directors, including the board's president, vice president, secretary, treasurer, and executive director/chief executive officer.

Operating Budget

A nonprofit operating budget is a financial document that provides an overview of how a nonprofit organization plans to spend its money.

Operating Expense (Support)

An operating expense is an expense an organization incurs through its normal business operations. The most common operating expenses include rent, utilities, internet, and telephone bills.



O

Operating Reserve

An operating reserve is an unrestricted fund balance set aside to stabilize a nonprofit's finances by providing a cushion against unexpected events, losses of income, and large unbudgeted expenses.

Overhead

Overhead is a combination of management, general, program, and fundraising.

P

Peer-to-Peer Fundraising

With peer-to-peer fundraising, individuals organize personal campaigns to collect donations from their own networks. Nonprofits can take advantage of peer-to-peer fundraising by allowing volunteers or supporters to raise funds on the organization's behalf. A Facebook birthday fundraiser is a prime example of this type of fundraising.

Planned Giving

Planned giving is a donor's intention to contribute a major gift to an organization beyond their lifetime. Planned giving is also referred to as gift planning or legacy giving.

Pledge

A pledge is the promised exchange of money or goods from a donor. A pledge results in a donation eventually, just not right away.

Private Foundation

A private foundation is a type of charitable organization that is typically established by an individual, family, or corporation to support charitable activities.

Program Evaluation

Program evaluation for nonprofits is the process of gathering specific data about a specific program to help make informed decisions about a program. They are a tool that can be used by your organization to understand many features of a program.



P

Program Officer

A program officer works for a nonprofit organization or foundation to oversee the development of programs and learning activities and seek out grants to fund these programs.

Program Related Investment

A program-related investment is a type of mission or social investment that foundations make to achieve their philanthropic goals.

Public Charity

Public charities are 501(c)(3) organizations that receive a greater portion of their financial support from the general public or governmental units and interact greatly with the public.

Public Support Test

The public support test is a provision of the IRS tax code that requires most public charities to meet to maintain their tax-exempt status. The test ensures that a nonprofit's income comes from a diverse set of donors or payors for charitable services rather than from a single source.

R

Restricted Funds

Restricted funds are any donations made and earmarked for a specific purpose by the donor. Donors have the legal right to restrict their donations to organizations and require that their gifts be used only for very limited and specific purposes.

Robert's Rules of Order

Commonly referred to as simply Robert's Rules, this manual consists of guidelines for governing and parliamentary procedure. It's used among most organizations with boards of directors, though it isn't a required practice. Robert's Rules help with establishing clarity and conducting orderly meetings.



S

Secretary

The board secretary ensures that all critical documents are organized, safely stored, and readily accessible to other board members and staff leadership.

Seed Grant

A seed grant is a small project that is generally funded through internal sources to help develop a project to the point where external funding can be obtained.

Segmentation

Donor segmentation is the process of separating your donor base into subgroups or segments based on qualities they have in common. This allows organizations to send more personalized communications, which all donors appreciate.

Social Impact

Social impact is the significant positive effect that your organization's activities have that addresses a social issue or cause and on a grander scale, the overall well-being of society.

Stewardship

Stewardship is defined as the responsibility of overseeing and protecting something considered worth caring for and preserving.

Stock Donation

Stock donations are a unique method of giving in which individual donors can support nonprofit causes by transferring ownership of stock shares from themselves to the organization in question.

Succession Planning

Succession planning is a process for preparing team members to replace leadership positions if or when they become vacant. It's a strategy used for successful transitions and the development of new leaders. For the nonprofit sector, succession planning is especially important for sustainability among small teams.



T

Table (as in Table a Board Decision)

If the board is not ready to vote on an item, for whatever reason, a member can motion to "table" the item. The motion needs a second. It is not open for discussion. The item tabled must be discussed at the next meeting.

Tax-Exempt

To be tax-exempt, an organization must be organized and operate exclusively for exempt purposes outlined in section 501(c)(3), and none of its earnings may be given to any private shareholder or individual.

Technical Assistance

Technical assistance is any specialized service or skill that a nonprofit does not possess within the organization but may need to operate more effectively.

Term

Term is the fixed period something will last or is intended to last. Board members often have term limits on how many years they can serve on the board at maximum.

Third Sector

Third sector means nongovernmental organizations that are driven by value and that mainly reinvest any profit to further social, environmental, or cultural aims.

Transaction Fee

Transaction fees are one of the ways a financial services provider can charge customers for using an account or payment card.

Treasurer

A nonprofit treasurer manages the financial health of an organization, which includes presenting financial reports to the board.

Trustee

Trustees are regulated by charitable trust acts and therefore held to a higher standard than the board of directors. A board of trustees is a group of volunteers who preside over a nonprofit organization or charitable foundation to help uphold the relationship between the nonprofit and its donors.





U

Underserved

Underserved communities are those who have limited or no access to resources that are otherwise disenfranchised.

Unrestricted Funds

Unrestricted funding is financial support that a nonprofit can use to support its mission in any way they see fit.

W

W9

A W9 is an IRS form that businesses use to obtain Social Security and taxpayer identification numbers from the people and organizations that they pay for services.

Y

Year-End Giving

Year-end giving season happens at the end of each calendar year and is a crucial time for the nonprofit sector. With a kickoff on Giving Tuesday, the year-end giving season is a time for increased fundraising efforts by nonprofits to achieve their fundraising goals. Typically, year-end giving can account for up to 50% of all charitable giving across the sector.



Acronyms

AFP - Association of Fundraising Professionals

B-Corp - Benefit Corporation

CFRE - Certified Fund Raising Executive

CRM - Customer Relationship Manager

CTA - Call to Action

CFDA - Catalog of Federal Domestic Assistance

DAF - Donor Advised Fund

E&O - Errors and omissions insurance

ED - Executive Director

EIN - Employer Identification Number

FASB - Financial Accounting Standards Board

FMV - Fair Market Value

GAAP - Generally accepted accounting principles

L3C - Low-Profit Limited Liability Company

LOC - Line of Credit

LOI - Letter of Intent

MOU - Memorandum of Understanding



Acronyms

NFT - Non-Fungible Token

NGO - Non-Governmental Organization

NPO - Nonprofit Organization

NOFA - Notice of Funding Availability

NNG - National Network of Grantmakers

NPT - NonProfit Times, a national monthly trade newspaper

P2P - Peer to Peer

PRI - Program-Related Investment

RFP - Request for Proposal

ROI - Return on Investment

SVP - Social venture partners

UBIT - Unrelated Business Income Tax

FOA - Funding Opportunity Announcement

YNPN - Young Nonprofit Professionals Network

WINGS - Worldwide Initiative for Grantmaker Support



Maybe you need to know how to start a nonprofit organization. Or perhaps you're looking for some tips on nonprofit marketing or strategic planning. Whatever issue or question you might have, chances are there's a nonprofit resource right here waiting to help you and your organization succeed. Nonprofit Hub gives you the latest tools and advice all in one spot so that you can use your time to focus on your mission.



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