



## Community Foundation Fundamental Terms

Annual Report	A voluntary report published by a foundation or corporation describing its grant activities. It may be a simple, typed document listing the year's grants or an elaborately detailed publication. A growing number of foundations and corporations use an annual report as an effective means of informing the community about their contributions activities, policies, and guidelines.
Assets	Cash, stocks, bonds, real estate, or other holdings of a foundation. Generally, assets are invested and the income is used to make grants.
Assets Under Management	The assets that a Foundation is actively holding, investing, and generating management fees from.
Bequest	A sum of money made available upon the donor's death. Also: estate gift
Capital Campaign	Also referred to as a Capital Development Campaign, a capital campaign is an organized drive to collect and accumulate substantial funds to finance major needs of an organization such as a building.
Charitable Remainder Trust	A gift plan that provides income to one or more beneficiaries for their lifetimes, a fixed term of not more than 20 years, or a combination of the two. Assets, usually cash, securities or real estate, are transferred to a trust which pays income to the beneficiaries for the term of the trust. When the trust term ends, the remainder in the trust passes to a nonprofit organization. Can also be established as a as a Charitable Remainder Unitrust (CRUT) with a variable payout.
Community Foundation	A community foundation is 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. Typically, a community foundation serves an area no larger than a state. Community foundations provide an array of services to donors who wish to establish endowed funds without incurring the administrative and legal costs of starting independent foundations. According to Foundation Center, there are more than 800 community foundations across the United States today.



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Competitive Grant Cycle	<p>The process through which a foundation begins a request for proposals (RFP), assesses the proposals, and selects recipients for a grant.</p> <p>ACF: competitive grant cycle is the means through which we grant from our Field of Interest funds</p>
Corporate Foundation	<p>A corporate (company-sponsored) foundation is a private foundation that derives its grantmaking funds primarily from the contributions of a profit-making business. The company-sponsored foundation often maintains close ties with the donor company, but it is a separate, legal organization, sometimes with its own endowment, and is subject to the same rules and regulations as other private foundations. There are more than 2,000 corporate foundations in the United States holding some \$11 billion in assets</p>
Corporate Giving Program	<p>A corporate giving (direct giving) program is a grantmaking program established and administered within a profit-making company. Gifts or grants go directly to charitable organizations from the corporation. Corporate foundations/giving programs do not have a separate endowment; their expense is planned as part of the company's annual budgeting process and usually is funded with pre-tax income. The Foundation Center has identified more than 700 corporate foundations/giving programs in the United States; however, it is believed that several thousand are in operation.</p> <p>ACF ex: Bradbury Stamm</p>
Distributable Balance (also: Spendable Balance)	<p>The amount that is recommended for a fundholder to distribute in one year. This is based on a foundation's assessment of fees, growth rate, and future planning. This is a recommendation; rules depend on the legal language in the fund agreement.</p>
Donor Advised Fund (DAF)	<p>A fund may be classified as donor advised if it has at least three characteristics: (1) a donor or person appointed or designated by the donor has, or reasonably expects to have, advisory privileges with respect to the fund's distributions or investments, (2) the fund is separately identified by reference to contributions of the donor(s), and (3) the fund is owned and controlled by a sponsoring organization, such as a community foundation. A fund possessing these characteristics may be exempt from the donor advised fund classification if it grants to one single public charity or government unit or if the fund meets certain requirements applicable to scholarship funds.</p>

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Donor Designated Fund	<p>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. These funds are sometimes established by a transfer of assets by a public charity to a fund designated for its own benefit, in which case they may be known as organizational endowments. The community foundation's governing body must have the power to redirect resources in the fund if it determines that the donor's restriction is unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community or area served.</p> <p>ACF: fund can have only one recipient at a time</p>
Endowment	<p>The principal amount of gifts and bequests that are accepted subject to a requirement that the principal be maintained intact and invested to create a source of income for a foundation. Donors may require that the principal remain intact in perpetuity, or for a defined period of time or until sufficient assets have been accumulated to achieve a designated purpose.</p> <p>See: assets under management</p>
Family Foundation	<p>"Family Foundation" is not a legal term, and therefore, it has no precise definition. Yet, approximately two-thirds of the estimated 44,000 private foundations in this country are believed to be family managed. The Council on Foundations defines a family foundation as a foundation whose funds are derived from members of a single family. At least one family member must continue to serve as an officer or board member of the foundation, and as the donor, they or their relatives play a significant role in governing and/or managing the foundation throughout its life. Most family foundations are run by family members who serve as trustees or directors on a voluntary basis-receiving no compensation; in many cases, second- and third-generation descendants of the original donors manage the foundation. Most family foundations concentrate their giving locally, in their communities.</p>
Field of Interest Fund	<p>A fund held by a community foundation that is used for a specific charitable purpose.</p> <p>ACF: Education, Arts &amp; Culture, Environmental &amp; Historic Preservation, Health, Human Services, Economic &amp; Workforce Development</p>

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Grassroots Fundraising	Efforts to raise money from individuals or groups from the local community on a broad basis. Usually an organization does grassroots fundraising within its own constituency—people who live in the neighborhood served or clients of the agency's services. Grassroots fundraising activities include membership drives, raffles, bake sales, auctions, dances, and a range of other activities. Foundation managers often feel that successful grassroots fundraising indicates that an organization has substantial community support.
Impact Investing	Placing investments into areas where they will have higher social or cultural impact, generally aligned with an organization's set guidelines and priorities. Impact Investing may accept market or below market rates of financial return in order to strategically impact the community and create positive social return.
In-Kind Contribution	A donation of goods or services rather than cash or appreciated property.
Investment Manager	An individual, firm, or committee responsible for making day-to-day decisions to buy, hold, or sell assets. Also known as money managers or investment advisors.
Now & Forever Fund	A type of fund, subtype of Donor-Advised Fund, in which a donor's contributions can be split between building the fund while simultaneously making grants. Allows the donor to have immediate impact, while still working to grow the fund and its impact in perpetuity.
Private Foundation	A nongovernmental, nonprofit organization with funds (usually from a single source, such as an individual, family, or corporation) and program managed by its own trustees or directors, established to maintain or aid social, educational, religious, or other charitable activities serving the common welfare, primarily through grantmaking. U.S. private foundations are tax-exempt under Section 501(c)(3) of the Internal Revenue Code and are classified by the IRS as a private foundation as defined in the code.
Scholarship Funds	A fund that provides support for tuition assistance, higher education, research, travel, and other kinds of training. These grants are paid to the school for the benefit of the student.

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Social Investing	Also referred to as ethical investing and socially responsible investing, this is the practice of aligning a foundation's investment policies with its mission. This may include making program related investments and refraining from investing in corporations with products or policies inconsistent with the foundation's values.
Trust	A legal device used to set aside money or property of one person for the benefit of one or more persons or organizations.
Unrestricted Funds	Normally found at community foundations, an unrestricted fund is one that is not specifically designated for particular uses by the donor, or for which restrictions have expired or been removed. <i>Note: this definition is related to fund structure and finance and is different from unrestricted funding, a grantmaking concept.</i>
Variance	A legal term declaring that all fund assets are considered the property of the community foundation so that if the designated purpose of the fund becomes impossible, the community foundation may redirect distributions to other charitable purposes that are similar to the donor's original intent.
Variance Power	The ability of the Board of Trustees to make decisions about the best use of a fund based on the designated purpose.
501(c)(3)	Section of the Internal Revenue Code that designates an organization as charitable and tax-exempt. Organizations qualifying under this section include religious, educational, charitable, amateur athletic, scientific or literary groups, organizations testing for public safety or organizations involved in prevention of cruelty to children or animals. Most organizations seeking foundation or corporate contributions secure a Section 501(c)(3) classification from the Internal Revenue Service (IRS). Note: The tax code sets forth a list of sections-501(c)(4-26)-to identify other nonprofit organizations whose function is not solely charitable (e.g., professional or veterans organizations, chambers of commerce, fraternal societies, etc.)

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## Equitable Philanthropy Fundamental Terms

(see: flashcards at March 2022 Board of Trustees meeting)

Affinity Group	A separate and independent coalition of grantmaking institutions or individuals associated with such institutions that shares information or provides professional development and networking opportunities to individual grant makers with a shared interest in a particular subject or funding area.
BIPOC	<p>Black, Indigenous &amp; People of Color – an umbrella term used to identify people from the above three groups. Usually a way to specify racial/ethnic groups that have traditionally been under-resourced and historically marginalized.</p> <p>Term is intended to center the experiences of Black and Indigenous groups and demonstrate solidarity between communities of color.</p>
Collective Impact	Collective impact describes an intentional way of working together and sharing information for the purpose of solving a complex problem. Proponents of collective impact believe that the approach is more likely to solve complex problems than if a single nonprofit were to approach the same problem(s) on its own.
dEi	<p>diversity, Equity, and inclusion. The concept for improving the “equity” of an organization or community – ensuring that equal opportunity is given, and groups that are/have been marginalized are given equivalent resources. The “E” is capitalized because equity is considered the most essential pillar; diversity and inclusion help to create equity. Most commonly associated with racial groups, but also includes ethnicity, gender, disability, sexual orientation, gender identity, national origin, tribe, caste, socio-economic status, thinking and communication styles, language, immigration/citizenship status, and more.</p> <p>See: diversity, equity, and inclusion – separate definitions</p>
Diversity	The representation of all our varied identities and differences (race, ethnicity, gender, disability, sexual orientation, gender identity, national origin, tribe, caste, socio-economic status, thinking and communication styles, etc.), collectively and as individuals.



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Equity	Equity is the intentional inclusion of marginalized groups in society. Moving beyond equality, equity considers the intersectional and historical barriers existing that can prove even more challenging to overcome for those who generationally have been left out or oppressed. Equity is achieved when systemic, institutional, and historical barriers based on race, gender, sexual orientation, and other identities are dismantled and no longer predict and impact socioeconomic, education and health outcomes.
Inclusion	Inclusion authentically brings traditionally excluded individuals and/or groups into processes, activities and decision/policy making.
LGBTQIA+ Community	The community of non-cisgender, non-heterosexual people. Lesbian, Gay, Bisexual, Transgender, Queer, Intersex, Asexual, and more.
Race Equity	Racial equity is the condition that would be achieved if one's racial identity no longer predicted, in a statistical sense, how one fares. When we use the term, we are thinking about racial equity as one part of racial justice, and thus we also include work to address root causes of inequities, not just their manifestation. This includes elimination of policies, practices, attitudes and cultural messages that reinforce differential outcomes by race or fail to eliminate them.
Re-Granting	Regranting is the act of acquiring a large grant and using the funds from that grant to create, manage, and finance smaller grants in turn. Working with outside partners, the Foundation serves as a philanthropic intermediary, re-granting funds into the local community.
Social Justice	Social justice includes a vision of society in which the distribution of resources is equitable and all members are physically and psychologically safe and secure. Social justice involves social actors who have a sense of their own agency as well as a sense of social responsibility toward and with others and the society as a whole.
Strategic Grantmaking	Strategic grantmaking is grantmaking with more focused goals, and a defined set of strategies for how a foundation wants to accomplish those goals. Also called proactive grantmaking.

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Unrestricted Funding	Unrestricted funding is grants given without limitations specifying where the grantee can spend or allocate the money. This gives grantees the flexibility to assess and determine where grant dollars are most needed, and allows for innovation, emergent action, and sustainability.
Trust-Based Philanthropy	With a core set of values rooted in advancing equity, shifting power, and building mutually accountable relationships, trust-based philanthropy seeks to demonstrate humility and collaboration in what we do and how we show up in all aspects of our work as grant makers.  A fully trust-based approach invites practitioners to embrace a clearly articulated set of values. Being clear on values helps funders make decisions through moments of uncertainty or change, guides relationship-building with grantee partners, fosters internal alignment among staff and board, and informs the design of organizational systems and structures.

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*Note: Some terms have specific meaning within the context of United States' history and may have different applications in other nations or areas.*

Sources:

<https://www.cof.org/content/glossary-philanthropic-terms>

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<http://www.racialequityresourceguide.org/about/glossary>

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