

Vocabulary Sheet for the Non-Profit World

From: The Ramah Philanthropy Initiative Curriculum, 2010

Private Foundations – These are foundations that receive their funding from an individual or family and use the income to make grants to individuals or organizations. The Bill & Melinda Gates Foundation is an example of this type of foundation.

Corporate Foundations – These foundations receive their funds from a business or corporation. The trustees and staff of the foundation may be drawn entirely from the ranks of employees of the corporation, although they often include at least a few from outside the corporation. Like private foundations, corporate foundations use their investment income or principal to make grants to support projects or organizations.

Community Foundations – They receive their funds from individuals, either while they are alive or as bequests in their wills. The trustees and staff then use the income from these invested funds to support causes specified by donors, or, if the donors have left the choice up to the trustees or staff, to support causes or projects the foundation itself believes will benefit the community it serves.

Operating Foundations – They conduct or operate projects themselves, rather than giving grants to other organizations to conduct the projects. Operating foundations can receive their funds from many sources, and can receive grants as well.

Budget – This is the amount of money an organization needs to function and how it will be divided up to meet all the expenses. An organization may have an operating budget of \$250,000 that has to pay all employees, pay the rent of the facility and all bills, and cover the expense of the services it exists to provide.

Expenses – These are things an organization needs to pay for that are not necessarily the services it exists to provide. This may include employees' salaries, office supplies, utility bills, maintenance fees, and rent for the facility.

Grant – A grant is a request for funding from a specific foundation. The money provided by a grant is usually designated for a specific project. The foundation that grants the funds may require a report about the project or ask for updates on how the money is being used.

Donations – Donations come with less strings attached than grants. They can come from anyone – a large foundation or the change you take out of your pocket and put in a donation box at a store. Donations are what keep most non-profit organizations functioning from day to day. The donations that come from large foundations are a crucial form of financial support for non-profit organizations, but every amount given counts and helps.