

## Glossary of Fundraising Terms – as of June 2019

(Compiled via multiple on-line sites)

**Acknowledgment** Written expression of gratitude for gift or service.

**Acquisition mailing (or prospect mailing)** A mailing to prospects to acquire new members or donors.

**Annual Giving** Annually repeating gift programs; seeking funds on annual or recurring basis from the same constituency; income is generally used for operating budget support.

**Annual Report** A yearly report of financial and organizational conditions prepared by the management of an organization.

**Appeal** Your fundraising appeal is your organization's request for donations to support your mission. It can take the form of an email, print letter, social media post, even during a live or broadcasted event. An appeal explains your cause, shows its impact, and creates a sense of urgency on the part of your donor.

**Benefactor** One who makes a major gift to an institution or agency; also, an arbitrary classification of contributors whose gifts are above a certain level, which is calculated to single them out as a group and to stimulate similar giving by others.

**Bequest** A transfer, by will, of personal property such as cash, securities, or other tangible property.

**Charitable Deduction** The value of money or property transferred to a 501(c)(3) organization, deductible for income, gift, and estate tax purposes. In most cases, the term charitable deduction refers to the portion of a gift that can be deducted from the donor's income subject to federal income tax. A donor's charitable deduction should not be confused or equated with the value of a gift; that is, gifts for the purpose of life income agreements are not federally deductible at their full value.

**Corporate Foundation** The philanthropic arm created by a corporation to deal with requests for contributions from various agencies—locally, regionally, or nationally.

**Crowdfunding** The practice of funding a project or venture by raising many small amounts of money from a large number of people, typically via the Internet.

**Cultivation** The process of promoting or encouraging interest and/or involvement on the part of a potential donor or volunteer leader; an educative process to inform about an institution and the reasons why it merits support.

**Development** Also referred to as fundraising. Development is a strategic approach to identifying and engaging prospective donors for a specific organization or program.

**Direct Mail** Solicitation of gifts or volunteer services and distribution of information pieces by mass mailing.

**Donor** The individual, organization, or institution that makes a gift.

**Donor Recognition** The practice of providing recognition to donors for their gifts through formal and informal, personal and public expressions of appreciation.

**Donor Database** A digital system for storing a variety of information about a donor, such as their contact information, relationships to other donors, and donation history, in a way that makes information easy to sort and retrieve. Because of their ability to query records and generate reports, databases are much more powerful than a basic spreadsheet.

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**Endowment** Principal or corpus maintained in a permanent fund to provide income for general or restricted use of an agency, institution, or program.

**Family Foundation** A foundation whose funds are derived from members of a single family. Generally, family members serve as officers or board members of the foundation and play an influential role in grantmaking decisions.

**Monthly Giving** A monthly giving program allows supporters to make an automatic donation of a specific amount every month, typically as a recurring credit card charge. Donors who might not be able to give a large one-time gift are often willing to sign up for monthly giving, ultimately donating more over time than they would have otherwise.

**Naming Opportunity** Most frequently offered to donors for facilities, endowments, and programs with the duration of the naming right often lasting for perpetuity. In the last several years, however, there has been movement toward time limitations on naming opportunities, especially in the arts and culture sector.

**Peer-to-Peer Fundraising (or Social Fundraising)** A fundraising method where your supporters raise donations from their social networks on your organization's behalf. The nonprofit usually supplies the tools, such as social media assets, a personalized fundraising page, and sample messages, to help their fundraisers succeed.

**Philanthropic Foundation** A corporation or trust that has been created through contributed funds, whether by an individual, family, corporation, or community, for support of nonprofit organizations, and to which such organizations may appeal for grants in support of their programs and projects.

**Planned Gift** A gift provided for legally during the donor's lifetime, but whose principal benefits do not accrue to the institution until some future time, usually at the death of the donor or his or her income beneficiary.

**Pledge** A signed and dated commitment to make a gift over a specified period, generally two or more years, payable according to terms set by the donor, with scheduled monthly, quarterly, semi-annual, or annual payments.

**Qualification** Typically an initial interaction with a donor or prospective donor, qualification is determination of whether a donor has enough linkage, interest and ability to warrant investing more time and energy developing the relationship.

**Recurring Giving** An important option on your donation page that allows donors to give an amount in regular increments, typically monthly. Donors will often choose recurring gifts when presented with the option. Recurring giving is an easy and effective way to boost overall fundraising over the course of a year, so this option should be prominently displayed. People who strongly support your cause but might not be able to make a large donation all at once like recurring giving because it allows them to give more over time than they could otherwise. It also helps your organization budget more effectively since you can predict how much money will come in going forward.

**Restricted Gift** A gift for a specified purpose clearly stated by the donor.

**Solicitation** The act of asking a constituent for a specific amount of money, for a specific purpose within a specific timeframe. **Solicitor** The appropriate individual to make an ask.

**Stewardship** The guiding principle in philanthropic fundraising. Stewardship is defined as the philosophy and means by which an institution exercises ethical accountability in the use of contributed resources and the philosophy and means by which a donor exercises responsibility in the voluntary use of resources.

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**Testimonial** A statement made by somebody who has had a positive encounter with a nonprofit detailing just how the organization has been important in their life.

**Unrestricted gift** A gift to an institution or agency for whatever purposes officers or trustees choose.

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