



COASTAL COMMUNITY FOUNDATION
OF SOUTH CAROLINA

Give Back. Look Forward.

g l o s s a r y

GRANTMAKING TERMS

501(c)(3) is a 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 and organizations involved in the 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.). In order to receive a grant from the Coastal Community Foundation, organizations must qualify as a 501(c)(3).

Articles of Incorporation is a document filed with the Secretary of State or other appropriate state office by persons establishing a corporation. This is the first legal step in forming a nonprofit corporation.

“Bricks and Mortar” is an informal term indicating grants for buildings or construction projects.

Bylaws are rules governing the operation of a nonprofit corporation. Bylaws often provide the methods for the selection of Board Members, the creation of committees and the conduct of meetings.

Capital Campaigns are organized drives to collect and accumulate substantial funds to finance major needs of an organization such as a building or major repair project.

Challenge Grant is a grant that is made on the condition that other monies must be secured, either on a matching basis or via some other formula, usually within a specified period of time, with the objective of stimulating giving from additional sources.

Decline is the refusal or rejection of a grant request. Some declination letters explain why the grant was not made, but many do not.

Demonstration Grant is a grant made to establish an innovative project or program that will serve as a model, if successful, and may be replicated by others.

Form 990 is the IRS form filed annually by public charities. The IRS uses this form to assess compliance with the Internal Revenue Code. The form lists the organization's assets, receipts, expenditures and compensation of officers.

Funding Cycle is a chronological pattern of proposal review, decision-making and applicant notification. Some donor organizations make grants at set intervals (quarterly, semi-annually, etc.), while others operate under an annual cycle.

Giving Portfolio is the overall picture of the types of projects and programs that a donor has supported historically. The past record may include areas of interest, dollar amount of funding or types of programs and organizations funded.

Grant is an award of funds to an organization to undertake charitable activities.

Grant Monitoring is the ongoing assessment of the progress of the activities funded by a donor, with the objective of determining if the terms and conditions of the grant are being met and if the goal of the grant is likely to be achieved.

Grantee is the organization that receives a grant.

Grantor is the organization that makes a grant.

Grant Recommendations are suggested distributions from a donor's fund to nonprofit organizations. Grants must be \$250 or more.

Guidelines are a statement of a fund's goals, priorities, criteria and procedures for applying for a grant.

In-Kind Contribution is a donation of goods or services rather than cash or appreciated property.

Letter of Intent is a grantor's letter or brief statement indicating intention to make a specific gift. A fund at Coastal Community Foundation may not be used to fulfill a pledge or other legal obligation made by an individual.

Leverage is a method of grantmaking practiced by some donors. Leverage occurs when a small amount of money is given with the express purpose of attracting funding from other sources or of providing the organization with the tools it needs to raise other kinds of funds. Sometimes known as the "multiplier effect."

Matching Gifts Program is a grant or contributions program that will match employees' or directors' gifts made to qualifying educational, arts and cultural, health or other organizations. Specific guidelines are established by each employer or foundation. (Some foundations also use this program for their trustees.)

Matching Grant is a grant or gift made with the specification that the amount donated must be matched on a one-for-one basis or according to some other prescribed formula.

Operating Support is a contribution given to cover an organization's day-to-day, ongoing expenses, such as salaries, utilities, office supplies, etc.

Pledge is a promise to make future contributions to an organization. A fund at the Coastal Community Foundation may not be used to fulfill a pledge or other legal obligation made by an individual.

Post-Grant Evaluation is a review of the results of a grant, with the emphasis upon whether or not the grant achieved its desired objective.

Restricted Funds are assets or income that is restricted in its use, in the types of organizations that may receive grants from it or in the procedures used to make grants from such funds.

Seed Money refers to a grant or contribution used to start a new project or organization.

Site Visit refers to visiting a grantee organization at its office location or area of operation and/or meeting with its staff or directors or with recipients of its services.

Technical Assistance is the operational or management assistance given to a nonprofit organization. It can include fundraising assistance, budgeting and financial planning, program planning, legal advice, marketing and other aids to management. Assistance may be offered directly by a foundation or corporate staff member or in the form of a grant to pay for the services of an outside consultant. (See In-Kind Contribution.)

FINANCIAL TERMS

Endowed and Partially-Endowed Funds are invested in perpetuity for growth over time. Donor-advisors to these permanent funds may recommend grants from the income available for distribution. Because they are permanent, endowed funds provide a lasting memory of the founder's commitment to philanthropy.

Spendedown Funds are non-endowed and permit donor-advisors the flexibility to make on-going recommendations for distributions up to the entire fund balance. Such funds remain non-endowed, unless the founder specifies otherwise, until such time that the fund's advisors are no longer serving.

Investment Pool refers to the Coastal Community Foundation's securities portfolio. The Foundation has two portfolios from which to choose:

Flagship Portfolio

Comprised of four asset classes that include Fixed Income Funds (30%), Equity Funds (70%).

Stable Value Portfolio

Ultra conservative investment option comprised 100% of PIMCO Load Duration Bond Fund.

Spending Policy is an agreed upon policy that determines what percentage of a group of assets, such as an endowment, should be spent to cover both operating costs and grants to an institution. Typical spending rules combine calculations based on previous years' spending; the current year's income and investment return rates, and the policy of the Foundation covering grant commitments.