

Glossary of Terms

- A -

Accreditation

A formal recognition that an organization meets specific standards of quality and performance, which may be granted by or to a nonprofit.

Advocacy

Efforts made by a nonprofit organization to support or recommend a cause or policy.

Articles of Association

A foundational document required in some jurisdictions for an organization that outlines its purpose and core operations (*compare to* Constitution).

- B -

Bequest

A gift of money or assets left to a nonprofit organization through the provisions of a donor's will, usually for charitable purposes.

Board of Governors

A board whose primary function is representative in nature, which leaves strategy development and operational oversight to further down the organizational ladder. Smaller nonprofits with a Board of Directors will have their board operate as a hybrid of a for-profit Board of Directors and Board of Governors.

Body of Knowledge

A subset of knowledge management comprising the complete set of concepts, terms, and activities that make up a professional domain, as recognized by nonprofit organizations and experts in the field.

Branded product/service

Products and services marketed using a branded house or house-of-brands strategy, with a branded product carrying the name of the nonprofit or a product or service having its own unique brand, respectively.

Bylaws

In organizations with Articles of Association, bylaws comprise its operational parameters (*compare to* Constitution).

- C -

Capacity Building

Activities aimed at improving an organization's ability to achieve its mission effectively.

Charity

Provision of a gift to an individual in need. Organizations established to facilitate providing to those in need.

Civil Law

A system of law regulating orderly relations between individual members of society (*compare to* Criminal Law).

Co-creation

Collaborating with other stakeholders in the design process to achieve an outcome of mutual benefit.

Code of Practice/Code of Ethics/Code of Professional Conduct

A set of rules adopted by members of an organization as best practice (code of practice), the most ethical (code of ethics), or best behavior (code of professional conduct).

Committee of Management

A group of individuals, usually elected from and by the membership, that oversee the operations and governance of an organization or institution.

Common Law

A legal system based on judicial decisions and precedents (i.e., court decisions) rather than laws created by a legislature (*compare to* Legislation).

Complex Multi-organizational Work Team

A collaborative group consisting of members from the nonprofit and other for-profit, nonprofit, and/or government organizations, working together on shared projects or initiatives that require coordinated efforts and diverse expertise.

Constitution

A foundational document required in some jurisdictions for an organization that outlines its purpose and operational parameters (*compare to* Articles of Association and Bylaws).

Contract

A legally binding agreement between two or more parties outlining mutual obligations and enforceable by law.

Copyright

A legal right granted to the creator of original works, giving them exclusive rights to use, distribute, and reproduce their work.

Criminal Law

A system of law regulating orderly relations across society (*compare to* Civil Law).

- D -

Defamation

The act of making false statements about a person or entity that damage their reputation.

Donation

A voluntary transfer of money or goods to a nonprofit organization, typically without receiving anything in return.

- E -

Economic Sector

The most generalized classification of economic or industrial activity, grouping organizations with similar characteristics together. Not to be confused with an industry or occupation.

Employee

An individual who works for another person or organization under a contract of employment, receiving remuneration for those efforts.

Endowment

A donation of money or property to a nonprofit organization, the income from which is used for its ongoing support.

Ethics

A set of moral principles and values that govern the behavior of individuals and organizations.

- F -

Fighting Fund

A reserve of money set aside by a nonprofit organization to support legal actions, advocacy, or campaigns in defense of its interests or causes.

Finder's Fee

A transparent and legitimate commission agreement between a nonprofit organization and another individual or entity for successfully identifying and securing new sales, funding opportunities, or donors (*compare to* Kickback).

For-profit

An enterprise established with the intention of making a direct, financial return-on-investment to its founders.

Fundraising

The process of collecting money or resources for a specific cause, project, or organization, usually less strictly transactional than sales processes.

- G -

Government Charter

A document by a government that establishes an organization and grants that body a function with specific powers, to achieve certain goals that are better achieved by a body separate from the government itself.

Grant

A sum of money awarded to a nonprofit organization by a government, foundation, or other entity to fund specific projects or initiatives without the expectation of repayment.

- I -

Impact Measurement

The process of assessing the effects of an organization's activities on its stakeholders and community.

In-kind

Contributions to a nonprofit organization in the form of goods or services rather than money.

- K -

Kickback

An illicit payment, lacking transparency or adherence to ethical standards, made in return for facilitating a transaction or service, often involving a conflict of interest (*sometimes used pejoratively for Finder's Fee*).

Knowledge Management

The systematic process of creating, sharing, using, and managing the knowledge and information of a nonprofit organization to enhance its effectiveness and efficiency (*see also* Body of Knowledge).

- L -

Legislation

Laws enacted by a governing body or legislature (*compare to* Common Law).

Legitimacy

The recognition and acceptance of a nonprofit organization's authority, credibility, and appropriateness in its mission and actions by stakeholders and the public.

Lobbying

The efforts made by a nonprofit organization to influence public policy and decision-makers in favor of its strategic position and larger Purpose.

- M -

Marketing

The activities and strategies used by a nonprofit organization to promote its mission, attract donors, and engage the community.

Member

A person or organization that has agreed to join an organization for the purpose of supporting the organization and gaining access to membership-specific privileges, in exchange for undertaking compulsory and perhaps voluntary membership obligations.

Member Benefit Scheme

A program offered by a nonprofit organization that provides various benefits and incentives to its members in exchange for their support and engagement.

Members' Funds

Accounting: the book value of a nonprofit organization. Sometimes called Net Assets or Fund Balance. Akin to Equity in a for-profit organization.

- N -

Naming Rights

The right, often purchased by a donor or sponsor, to name a facility, event, or program of a nonprofit organization.

Non-Government Organization

A form of nonprofit organization that is large, often multinational, and undertakes activities usually associated with government activities.

Nonprofit

An organization founded, structured, and managed financially, legally, and ethically to achieve a goal or goals whose benefits are not strictly financial in nature.

Nonprofit Ecosystem

The stakeholders within a geographical area and population served or targeted by a nonprofit organization's Purpose.

Not-for-profit

See Nonprofit.

- O -

Opinion

A personal belief or judgment that may not be backed by extensive expertise or evidence; while an opinion may be educated or informed, they are generally seen as subjective and less impactful in driving widespread change due to the lack of evidence-based knowledge available to defend them.

- P -

Patron

A distinguished individual who supports a nonprofit organization through advocacy, financial contributions, or lending their name and reputation to enhance the organization's profile and credibility.

Philanthropy

The act of donating money, goods, or time to support a charitable cause or organization.

Private Sector

In the most generalized classification of economic or industrial activity, a group of organizations whose purpose is return on investment for its owners.

Profit

The economic result of an activity or period of operation, expressed as revenue less expenses equals profit. *See also* Surplus.

Program Evaluation

The systematic assessment of the design, implementation, and outcomes of a program to determine its effectiveness.

Promotions

Activities and campaigns designed to increase awareness and support for a nonprofit organization's mission and programs.

Public-Private Partnership

A cooperative arrangement between public and private sectors for the provision of public services or infrastructure.

Public Relations

The practice of managing and disseminating information from a nonprofit organization to the public to influence its reputation and support.

Public Sector

In the most generalized classification of economic or industrial activity, a group of organizations whose purpose is the management of institutions owned by the population as a whole.

Purpose Sector

In the most generalized classification of economic or industrial activity, a group of organizations whose purpose is to address an issue for the benefit of its stakeholders.

- R -

Regulation

Rules or directives made and maintained by an authority to manage or control activities within its jurisdiction.

Reputation

The collective perception of a nonprofit organization by the public, stakeholders, and the community based on its actions, history, and communications.

Royal Charter

A document by a Monarch that establishes an organization and grants that body a function with specific powers, to achieve certain goals that are better achieved by a body separate from the government.

- S -

Sales

The process by which a nonprofit organization sells products or services, often as a means to generate revenue to support its mission.

Secretariat

The administrative office or department within a nonprofit organization responsible for managing its day-to-day operations and supporting its governing bodies, often outsourced in small or startup nonprofits, or as local chapter supports in larger nonprofits.

Social Club

An association of individuals with similar, non-vocationally-oriented interests, which utilizes its assets to support activities in support of those interests; such clubs may provide club rooms, club events, or create resources like magazines or guides in pursuit of the members' aims.

Social Contract

An agreement, usually implicit, between parties on the rights and responsibilities of both, that define what is and is not legitimate for both, for the purpose of creating orderly and mutually-beneficial conduct.

Social Norm

An accepted behavior or belief within a community or society that guides and influences the actions and decisions of individuals.

Sponsorship

A financial or in-kind support given by a sponsor to an event, activity, or organization in exchange for promotional benefits (*compare to* Fundraising).

Stakeholder

One that has an interest in the organization, through being impacted by its activities and their outcomes. The indirect nature of nonprofit activities and wide influence tends to result in a similarly-wide and dispersed net of stakeholders.

Stewardship

Being responsible for the maintenance and care of something to ensure its continued survival and welfare; differs from ownership in that stewardship excludes rights of damage, disposal, or sale for personal benefit at the expense of the organization.

Strategic Alliance/Strategic Partnership

A formal agreement between two or more entities to pursue a set of agreed-upon objectives while remaining independent organizations (*compare to Sponsorship*).

Surplus

Accounting: the typical result of a financial year of operations in a nonprofit, represented as revenue less expenses equals surplus. Similar to a profit but a nonprofit has no owners to benefit (i.e., 'profit') from its financial outcomes.

Sustainability

The ability of a nonprofit organization to maintain its operations and impact over the long term.

- T -

Third Sector

The economic sector comprising nonprofit organizations, also used to mean specifically voluntary and charity organizations. *Also see Purpose Sector.*

Thought Leadership

The knowledge-based position held by a nonprofit organization or its representatives as leading authorities and influencers in their field, providing innovative ideas, insights, and guidance that shape industry standards and practices (*not to be confused with Opinion*).

Tragedy of the Commons

A situation in which individuals, acting in their own self-interest, deplete or degrade a shared resource, negatively impacting the community.

Transparency

The practice of openly sharing information, decisions, and processes within a nonprofit organization to ensure accountability and build trust with stakeholders and the public.

Trust

The confidence and reliability that donors, beneficiaries, and the public have in a nonprofit organization's ability to fulfill its mission ethically and effectively.

- U -

Unaffiliated

Describes a nonprofit organization that operates independently and is not formally connected with any larger organization or network.

- V -

Volunteer

An individual who freely offers their time and skills to support the activities and mission of a nonprofit organization without monetary compensation.

Volunteer Leader

A volunteer who takes on additional responsibilities, often overseeing and coordinating the efforts of other volunteers within a nonprofit organization.

Volunteers Manager

A staff member or appointed individual responsible for recruiting, training, and supervising volunteers, ensuring their effective integration and engagement within a nonprofit organization.