

## **FEP-ABM/FNA Glossary of Terms**

**Accountability** The quality or state of being accountable, answerable, liable, or responsible. *(Merriam Webster)*

**Accounting** **1.** A system of recording and summarizing business and financial transactions and analyzing, verifying, and reporting the results. *(Merriam Webster)*. **2.** The theory and system of setting up, maintaining, and auditing the books of a firm; art of analyzing the financial position and operating results of businesshouse from a study of its sales, purchases, overhead, etc. *(Dictionary.com)*

**Accounting Policy** A systematic routine that determines how the financial transactions of an organization are recorded and reported, such as how income (whether earned or a gift) is received and recognized, how expenses are authorized and paid, and how assets and liabilities are presented on the organization's financial statements. Such policies should be established by the organization's trustees in consultation with outside auditors and should conform to generally accepted accounting principles. *(AFP Dictionary)*

**Activity** **1.** A form of organized, supervised, external fundraising action. *(Merriam Webster)*. **2.** a specific fundraising responsibility center for which a separate measurement of expense and/or revenue is desired. An activity is the lowest common denominator, lowest level of detail, or lowest grouping of revenues and expenses required by the development office. *(Draft ABM 4 03 15 2019)*

**Activity-Based Accounting** An attempt to analyses and settle overhead costs by allocation of direct (e.g. transport cost) and indirect expenses (e.g. management cost) taken up in in-plant partial processes. *(Merriam Webster)*

**Activity-Based Budgeting** Activity based budgeting is a budgeting method in which budgets are prepared using Activity Based Costing after considering the overhead costs. *(Merriam Webster)*

**Activity-Based Costing (ABC)** **1.** A method of assigning overhead and indirect costs—such as salaries and utilities—to products and services. **2.** The ABC system of cost accounting based on activities, which are considered any event, unit of work or task with a specific goal. *(Merriam Webster)*

**Activity-Based Management (ABM)** **1.** A method of identifying and evaluating activities that a business performs using activity-based costing to carry out a value chain analysis or a re-engineering initiative to improve strategic and operational decisions in an organization. *([https://en.wikipedia.org/wiki/Activity-based\\_management](https://en.wikipedia.org/wiki/Activity-based_management))* **2.** A method of internal analysis that identifies business activities within a company then evaluates them based on the costs incurred by the activities and the value added by the activities. *(Merriam Webster)*

**Activity Code** A set of codes that are created, based on the organization's criteria, that enable categorizing activities into logical groups. *(Merriam Webster)*

**Activity Level** A way to express a person's daily activity as a number and is used to estimate a person's total effort expended on a task or activity. *(Merriam Webster)*

**Analysis** Separation into constituents or component parts for individual study. Detailed examination of the elements or structure of something. *(Merriam Webster)*

**Annual Giving** **1.** a fundraising program that generates gift support on an annual basis. *(AFP Dictionary)* **2.** Year-to-year fundraising programs designed to provide reliable revenue. *(Merriam Webster)*

**Annual Giving Activities** A variety of direct solicitation methods and techniques designed to provide sufficient money each year to fund the current operating budget. *(Merriam Webster)*

**Audit** **1.** An examination and evaluation of an organization's accounting and financial affairs by an accountant, who issues a statement of the organization's financial standing and legal compliance as of a certain date. An evaluation and examination of an organization's fundraising practices, policies, and results, usually performed by an outside consultant, who issues a report on the effectiveness of the organization's fundraising program. This report may also include recommendations for enhancing the program. *(AFP Dictionary)* **2.** Examination of records or accounts to check their accuracy. *(Merriam Webster)*

**Average Gift** the total dollars received divided by the total number of gifts received. *(AFP Dictionary)*

**Benchmarking** Compares ratios, trends, and analyses (both financial and nonfinancial) of a nonprofit with those of its peers and measures an organization's results against its best-performing peers. *(BoardSource Glossary of Financial Terms)*

**Benefit Events** **1.** a social event from which net proceeds are designated as a donation to one or more causes. *(AFP Dictionary)* **2.** A highly popular solicitation program among volunteers and attendees designed for personal participation at entertaining occasions that provide high media visibility for the organization and its mission. *(Merriam Webster)*

**BOARD SOURCE** A not-for-profit organization in Washington, D.C. established by the Independent Sector and the Association of Governing Boards of Universities and Colleges to improve the effectiveness of not-for-profit organizations by strengthening their governing boards. The center provides publications and training programs for its members. *(AFP Dictionary)*

**Bottom Line** The final or ultimate analysis. The number (especially a dollar figure) resulting from such an analysis. The essential meaning, import, or significance of something. *(AFP Dictionary)*

**Budget** **1.** detailed breakdown of estimated income and expenses for a development program, prepared in advance. Budgets show various cost categories, including personnel, printed materials, purchase and rental of equipment, office expense, headquarters, mailing charges, costs of events, and so on. *(CFRE Glossary of Fundraising Terms)* **2.** A planning document projecting the income and expense necessary to accomplish an objective. Verb [no object] to prepare or compose a budget; to put into a budget. *(AFP Dictionary)*

**Capacity** A measure of ability; the maximum possible output or amount of production. *(Merriam Webster)*

**Capital Campaigns** An intensive fundraising effort to meet a specific financial goal within a specified period for one or more major capital projects that are out of the ordinary, such as the construction of a facility or purchase of equipment. *(AFP Dictionary)*

**Certified Audit** A review conducted by a certified public accountant of an organization's financial position and practices. *(AFP Dictionary)*

**Chief Development Officer (CDO)** the highest-ranking development staff member responsible for a development program. *(AFP Dictionary)*

**Chief Executive Officer (CEO)** the highest-ranking executive responsible for organizational operations. *(AFP Dictionary)*

**Chief Financial Officer (CFO)** a senior staff member responsible for the financial management of an organization, including budget control, cash-flow management, financial forecasting, and related functions. *(AFP Dictionary)*

**Collaborative** To work jointly with others or together especially in an intellectual endeavor. *(Merriam Webster)*

**Common Cost Pools** **1.** An aggregate of all the **costs** associated with performing a particular activity. **2.** To get an accurate estimate of the total cost of that activity by **pooling** all **costs** incurred in that particular activity. *(Merriam Webster)*

**Contribution** An unconditional transfer of cash or other assets to an entity or a settlement or cancellation of its liabilities in a voluntary nonreciprocal transfer by another entity acting other than as an owner. *(“Fund-Raising Cost Effectiveness”, 1996)*

**Corporate Relations Program** Soliciting gifts and grants from corporate foundations, from corporate-giving programs which are grant-awarding programs established and controlled by profit-making corporations, and corporate sponsorships which are financial support of a project in exchange for public recognition and other benefits. *(AFP Dictionary)*

**Cost Allocation Procedures** The process of identifying, accumulating, and assigning costs to objects such as departments and their assigned activities or tasks. *(Merriam Webster)*

**Cost-benefit analysis** A process by which an organization judges the effectiveness of its expenses in relationship to its objectives. *(AFP Dictionary)*

**Cost-effective.** Effective in terms of the relation of cost to predicted benefits (cost-effectiveness) *(AFP Dictionary)*

**Cost of Staff Time** The combination of staff salary, taxes and benefits for each employee, either at an hourly rate or for the fiscal year. *(Merriam Webster)*

**Cost Per Dollar Raised** A measure of the productivity of a fundraising program calculated by dividing the expenses incurred in raising the funds by the total dollars raised. *(AFP Dictionary)*

**Cost Per Gift** The donor's out-of-pocket cost of funding a gift. *(Merriam Webster)*

**Depreciate** Verb [no object] of an asset, to decline in value through use, time, or market fluctuations. *(AFP Dictionary)*

**Depreciation** To lower the price or estimated value of an asset. *(Merriam Webster)*

**Development** The dynamics of a continuing fundraising program (annual giving, special gifts, planned gifts, public relations). *(CFRE Glossary of Fundraising Terms)*

**Development audit** An objective evaluation, sometimes conducted by professional fundraising counsel, of an organization's internal development procedures and results. *(AFP Dictionary)*

**Development Office** The department or division of an organization responsible for all facets of its fund development program. *(AFP Dictionary)*

**Development Office Administration** The office responsible for managing all phases related to acquiring the gifts, grants and contributions needed by the organization. *(Merriam Webster)*

**Development Services** Services performed for the organization requiring the exercise of professional judgement or discretion consisting of planning, management, preparation of materials, and/or provision of advice and consulting regarding solicitation of contributions. *(IRS Definition)*

**Development Staff Time Sheet** **1.** The most accurate method of allocation of salaries, fringe benefits and other indirect and overhead expenses, as follows: "Not-for-profits must record expenses on a functional basis. **2.** Salaries are generally the organization's largest expense. **3.** Allocating this expense to the various functions on an equitable and consistent basis is the key to properly reflecting the activity of the not-for-profit. **4.** Time sheets are the most accurate method of allocating salary expense; time sheets should be submitted by all employees." *(NonprofitAccountingBasics.org)*

**Direct Costs** **1.** In accounting, a cost that can be assigned to a specific program. Compare INDIRECT COST OVERHEAD. *(AFP Dictionary)*. **2.** Direct costs are the portion of total line-item expenses that can be identified specifically with Program, Management and General or Fundraising (columns B, C or D) and that can be assigned to a specific function with a high degree of accuracy. *(IRS Definition)*. **3.** Direct costs are expenses that can be identified specifically with an organization's activity or project, and that can be assigned to an activity or project with a high degree of accuracy. *(IRS Definition)*

**Direct Mail Acquisition and Renewal** A reliable method to market the organization's programs and services to wide audiences to produce the largest numbers of potential clients as well as prospective and repeating donors. *(AFP Dictionary)*

**Donor** Noun a person, organization, corporation, or foundation that makes a gift. Also contributor. *(AFP Dictionary)*

**Donor Clubs** A donor solicitation and renewal program using a range of gift levels and a variety of benefits and privileges to maintain the donor's interest, involvement and giving. *(AFP Dictionary)*

**Donor Records System** Provides information regarding donor prospects gathered for the purpose of soliciting gifts or funds. *(Merriam Webster)*

**Donor Upgrade** The activity by which a donor increases his or her level of giving. *(AFP Dictionary)*

**Downgraded Donor** A donor who gave less this year than last year (*FEP Glossary of Terms Appendix*)

**Effectiveness** Production of the intended or expected effect. (*Merriam Webster*)

**Efficacy** Power or capacity to produce a desired effect; ability to achieve results. (*Merriam Webster*)

**Efficiency** Competence for producing a desired result or maximum effect with minimum effort or expense; extent or degree to which this quality is exercised. (*Merriam Webster*)

**Endowment Campaigns** An intensive fundraising effort to meet a specific financial goal within a specified period for acquisition of endowment. (*AFP Dictionary*)

**Evaluation** **1.** An act or fact of evaluating. campaign analysis. prospect rating. (*AFP Dictionary*)  
**2.** Placement of a value on; appraisal, estimation, examination, judgment.

**Expenses** An item of fiscal outlay chargeable against revenue for a specific purpose or period (*Merriam-Webster.com*)

**FASB** Financial Accounting Standards Board. (*AFP Dictionary*)

**Financial Indicator** Data which provides information about or predicts the overall health of the economy or the financial markets; examples are inflation, interest rates, employment, volume, and insider trading. (*Merriam Webster*)

**Forecast** To estimate or calculate performance or results in advance. (*Merriam Webster*)

**Foundation Relations** Soliciting gifts and grants from private foundations, organizations created from designated funds from which the income is distributed as grants to nonprofit organizations. (*AFP Dictionary*)

**Fringe/Fringe Benefits** Fringe benefits and payroll taxes can be allocated based upon the time allocations. Fringe benefits include expenses incurred by the organization for such benefits as health insurance, the employer share of pension costs, and life insurance premiums. (*IRS Definition*)

**Fringe Costs** An expense that is marginal, additional, or secondary to an activity, process, or subject. (*Merriam Webster*)

**Full Time equivalent (FTE)** **1.** A unit that indicates the workload of an employed person (or student) in a way that makes workloads or class loads comparable across various contexts. **2.** FTE is often used to measure a worker's or student's involvement in a project. (*Wikipedia*)

**Functional Accounting** A method of accounting that is based on the organization's major types of activities, primarily (a) program or mission-based services and (b) supporting services such as administration, governance, and fund development. (*Merriam Webster*)

**Functional Classification** A method of grouping expenses according to the purpose for which costs were incurred. The primary functional classifications are program services and supporting activities. (*CFRE Glossary of Fundraising Terms*)

**Functional Expenses** The costs incurred for each functional area of the organization. *(AICPA.org)*

**Functional Expense Classification** The costs incurred for programs, management and general and fundraising, as in IRS Form 990 (Part I, p. 10). *(IRS Definition)*

**Functional Expense Level** A method of grouping expenses according to their purposes (e.g., program services and supporting services). *(Merriam Webster)*

**Fund accounting** An accounting system used by not-for-profit organizations that separates financial records by how the money is used. *(AFP Dictionary)*

**Fundraising Accomplishments** A periodic tally of results from fundraising activities measured against goals and objectives. *(Merriam Webster)*

**Fundraising Activity** **1.** A specific fundraising responsibility center for which a separate measurement of expense and/or revenue is desired. An activity is the lowest common denominator, lowest level of detail, or lowest grouping of revenues and expenses required for financial management of program activities and supporting activities, which include fundraising activities. **2.** Fundraising activity levels are determined based on how minute separate measurements need to be for assessing performance against inputs of staff time and expense. *(FASB ASU 2016-14)*

**Fundraising Activity Design** A structured system of organized individual solicitation programs, including their related support elements, as an integrated fund development program.

**Fundraising Activity Design Team** Staff team assembled to define the fund development program plan.

**Fundraising Capacity** A calculation of potential outcomes based on maximum productivity of all elements of the fund development program. *(Fund-Raising Cost Effectiveness, 1996)*

**Fundraising Capacity Building** An active strategy that defines options for increased results, be they donor participation or gift revenues. *(Fund-Raising Cost Effectiveness, 1996)*

**Fundraising Cost-Effectiveness Self-Assessment Tool** The Nine-Point Performance Index to measure the efficiency and effectiveness of individual fundraising activities. *(Fund-Raising Cost Effectiveness, 1996)*

**Fundraising Cost Ratio** A calculation used to gauge the effectiveness of different fundraising techniques ranging from dinners to direct mail solicitations to capital campaigns. *(Fund-Raising Cost Effectiveness, 1996)*

**Fundraising Cycle** The practice of fundraising that progresses in logical sequence from planning to preparation, execution, evaluation, and back to planning. *(AFP Dictionary)*

**Fundraising Effectiveness** The intended result of a solicitation activity measured by several factors including efficiency, expenses, participation, predictability, productivity, and profitability. *(Fund-Raising Cost Effectiveness, 1996)*



**Fundraising Effectiveness Project (FEP)** A joint effort by AFP and the Urban Institute and participating donor software firms to aid nonprofit organizations to measure their fundraising “fitness” and maximize their annual growth in giving (GIG). (*Achieving Excellence in Fundraising. Fourth Edition, 2016, p. 332*)

**Fundraising Efficiency** An analysis, following fundraising effectiveness measurements (*doing the right thing*), to measure how well the right thing has performed; a quality assessment. (*Fund-Raising Cost Effectiveness, 1996, p. 254*)

**Fundraising Expenses** **1.** Fundraising expenses are the expenses incurred in soliciting cash and noncash contributions, gifts, and grants. Report as fundraising expenses all expenses, including allocable overhead costs, incurred in: (a) publicizing and conducting fundraising campaigns and (b) soliciting bequests and grants from individuals, foundations, other organizations, or governmental units. This includes expenses incurred in participating in federated fundraising campaigns; preparing and distributing fundraising manuals, instructions, and other materials; and preparing to solicit or receive contributions. (*IRS Definition. <https://www.irs.gov/pub/irs-pdf/i990.pdf>, page 41*). **2.** Publicizing and conducting fund-raising campaigns; maintaining donor mailing lists; conducting special fund-raising events; preparing and distributing fund-raising manuals, instructions, and other materials; and conducting other activities involved with soliciting contributions from individuals, foundations, government agencies, and others. (*FASB SFAS 117, para. 28*).

**Fundraising Fitness Test (FFT)** An Excel-based report that provides detailed statistics on donor giving performance based on anonymized donor ID, date of gift and amount of gift. (*Merriam Webster*)

**Fundraising Guidelines** A group of uniform measurement tools used in performance analysis. (*Merriam Webster*)

**Fundraising Net Analyzer** **1.** A AFP Research Council project in partnership with Adventist Philanthropic Services to Institutions (PSI) and Greater Washington Society of CPAs entitled “Applying Activity-Based Management to Fundraising”. **2.** A fundraising cost effectiveness self-assessment tool ([www.afpfep.org/tools](http://www.afpfep.org/tools))

**Fundraising Net Template** An Excel report form to calculate and display data for analysis.

**Fundraising Program** An organization’s or institution’s strategy, tactics, objectives, case, and needs in their entirety; a campaign that is loosely defined in terms of time frame and specific funding opportunities; a campaign; a timetable for a campaign. (*CFRE Glossary of Fundraising Terms*)

**Fundraising Methods** A group of solicitation tactics employed by nonprofit organizations to secure the gifts, grants and contributions necessary to fund its mission. (*Merriam Webster*)

**Fundraising Tactic** A single method designed to solicit new, prior or lapsed donors. (*Merriam Webster*)

**GAAP** An acronym for “generally accepted accounting principles.” (*CFRE Glossary of Fundraising Terms*). Generally accepted accounting principles. (*AFP Dictionary*)

**GAAP Organization-Wide Statement of Functional Expenses** The costs incurred for each functional or activity area of the organization. Functional classifications include programs, management and general and fundraising. (*AICPA.org*)

**Generally Accepted Accounting Principles** The conventions, standards, rules, and procedures that define a responsible practicing of accounting. These principles are currently under the domain of the Financial Accounting Standards Board. Abbr. GAAP. (*AFP Dictionary*)

**Gift Analysis** An examination of gift records to determine successes, problem areas, trends, and other facts upon which decisions can be based in order to change tactics or employ other fundraising methods. (*AFP Dictionary*)

**Gift Income** Nonprofit revenue in the form of gifts, grants and contributions. (*Merriam Webster*)

**Gift Income by Activity** Revenue as a direct result of specific solicitation methods. (*Merriam Webster*)

**Gift Processing** A procedure by which a donation is received, recorded, transmitted for deposit, receipted, and acknowledged. (*AFP Dictionary*)

**Grants to Other Organizations** A distribution of funds from one nonprofit to another. (*Merriam Webster*)

**Growth in Giving** The net of gains in giving minus losses in giving from last year to this year. (*FEP Glossary of Terms Appendix*)

**Growth in Giving Initiative (GiG)** **1.** The AFP Giving Initiative Steering Committee is the administrative body supervising the AFP Fundraising Effective Project and Activities Based Management program. **2.** A performance measurement of an organization's multi-year progress in securing and retaining donors and their gift income.

**Guilds, Groups and Associations** A support group organization that may include membership dues, member benefits, formal structure, volunteer board leadership, and volunteer-led activities to benefit the sponsoring parent nonprofit. (*Fundraising Fundamentals, 2002*).

**Indirect Costs** **1.** The cost incurred by a grantee organization for indirect support of a program or project, such as payroll expenses, utilities, and general service expenses incurred by the organization and which indirectly benefit the project. (*AFP Dictionary*). **2.** Indirect costs are the portion of total line-item expenses that cannot be identified specifically with program, management and general or fundraising (IRS Form 990, Part X, columns B, C or D) and that require allocation to these functions. Indirect costs for each line item equals total line-item expenses minus the line item's direct costs. (*IRS Definition*) **3.** Indirect costs include employee fringe benefits and payroll taxes (lines 8, 9 and 10), 16 Occupancy, 20 Interest, 22 Depreciation, depletion, and amortization and 23 Insurance. (*IRS Definition*) **4.** Indirect costs are allocated to columns B, C and D using an indirect cost allocation percentage (*IRS Definition*).

**Interest** Money paid for the use of money. Income received from invested principal. A share in property. A claim or right. (*AFP Dictionary*)



**Internal Fundraising Audit** A comprehensive examination of organizational structure, operations, staffing, and efforts as they relate to fundraising. (*AFP Dictionary*)

**Lapsed Donor** **1.** A donor who has contributed at any time prior to the current year. Compare. (*AFP Dictionary*). **2.** The total number of donors who gave prior to this year who did not give again this year. (*FEP Glossary of Terms Appendix*)

**Lapsed-new Donors** First-time donors last year who did not give this year. (*FEP Glossary of Terms Appendix*)

**Lapsed-repeat Donors** who gave last year and in one or more prior years, but not this year. (*FEP Glossary of Terms Appendix*)

**Major Gifts Program** Soliciting significant donors from individuals. The amount required to qualify as a major gift is determined by the organization. (*AFP Fundraising Dictionary*)

**Management and General Expenses** An expense that relates to the organization's overall operations and management, rather than to fundraising activities or program services. (*IRS definition*)

**Measurement** Quantification of ability; dimensions, capacity, quality, or standard of comparison. (*Merriam Webster*)

**Membership Programs** A donor solicitation and renewal program using a range of gift levels and a variety of benefits and privileges to maintain the member's interest, involvement and giving. (*Fundraising Fundamentals, 2002*).

**Monitor** **1.** To oversee; keep a check on. **2.** To observe and record. **3.** To scrutinize or check systematically with a view to collecting certain specified categories of data. (*Merriam Webster*)

**Multiple Appeals** Several fundraising appeals conducted by the same organization, occurring either simultaneously or overlapping and directed to the same prospect pool or constituency. (*AFP Dictionary*)

**Multiple Fundraising Activities** A selection of solicitation activities, such as for annual fund plan or capital campaign, complete with assigned goals and objectives. (*Merriam Webster*)

**Natural Expenses** Routine operating costs for a department or project (i.e. salaries and benefits, printing and postage, heat and light, etc.). (*Merriam Webster*)

**Net Analyzer** A network software product used to monitor performance and to monitor and visualize results leading to analysis. (*Merriam Webster*)

**Net Income** The amount left after expenses are deducted from gross income. (*AFP Dictionary*)

**New Donor** A donor who never gave prior to this year. (*FEP Glossary of Terms Appendix*)

**Nine-Point Performance Analysis** **1.** A systematic method to study how each fundraising activity performs measured against its own results from prior years. **2.** To evaluate the unique performance of each fundraising method based on its results using the same index. (*Fund-Raising Cost Effectiveness. 1996, p. 25*)

**Nonprofit Accounting** The unique system of recordation and reporting that is applied to the business transactions engaged in by a nonprofit organization. (*AICPA.org*)

**Non-Solicitation Activities** The prohibition from solicitation for a period of time. (*Merriam Webster*)

**Number of Donors** To count how many participants made gifts during a set period. (*Merriam Webster*)

**Number of Solicitations** To count how many appeals were made during a set period. (*Merriam Webster*)

**Office and Occupancy** A detail in calculating the value of indirect costs associated with office space and employee use. (*Merriam Webster*)

**Online and Internet Giving** A way for nonprofit organizations to raise money via the Internet involving an online donation page. (*Merriam Webster*)

**Operating Costs** Wages, overhead, and depreciation, as they figure into the calculation of net income. (*AFP Dictionary*)

**Operating Fund** Unrestricted net assets available for an organization's operations. (*AFP Dictionary*)

**Operating Statement** A financial statement showing the revenues and expenses of an organization at a point in time. The statement may compare budgeted amounts with actual amounts. (*AFP Dictionary*)

**Overhead Costs** General expenses (such as utilities, insurance, and rent) that are necessary to an organization. (*AFP Dictionary*)

**Percent Participation** The number of replies received as a percentage of all who were invited to participate (divide total donors by the total solicited and multiply the result by 100 to convert it to a percentage). (*Fund-Raising Cost Effectiveness. 1996, p. 27*)

**Planned Giving** A systematic effort to identify and cultivate a person for the purpose of generating a major gift that is structured and that integrates sound personal, financial, and estate-planning concepts with the prospect's plans for lifetime or testamentary giving. (*AFP Dictionary*)

**Potential** **1.** Possible but not yet realized; capable of being or becoming. **2.** Latent or inherent ability for excellence. (*Merriam Webster*)

**Productivity** **1.** Ability or power to produce, output of the means of production. **2.** Yielding favorable or useful results; constructive activity. (*Merriam Webster*)

**Profitability** An advantageous gain or return; the quality of being lucrative, useful, beneficial. (*Merriam Webster*)

**Program Budgeting** **1.** A budget preparation method based on prior-year comparable results to illustrate how each solicitation activity has performed. (*Achieving Excellence in Fundraising. Fourth Edition, 2016, p. 327*). **2.** An estimate of costs required to plan and carry out each fundraising activity within the overall fund development program, included the indirect and overhead expenses required to support each fundraising activity. (*Expanding the Role of Philanthropy in Health Care. New Directions in Philanthropic Fundraising. Number 49, Fall 2005, p. 78-80*)

**Program Cost of Fundraising (COF)** A measure of the productivity of a fundraising program calculated by dividing the expenses incurred in raising the funds by the total dollars raised. (*AFP Dictionary*)

**Program Evaluation** An approach to facilitate planning and to give management the means for controlling specific programs by charting, on a timeline, each step in relation to all other steps, such as when financing must be available in relation to program needs. (*AFP Dictionary*)

**Program Net Revenue** A measure of fiscal success based on all revenues received minus all expenses incurred. (*BoardSource Glossary of Financial Terms*)

**Program Services** The activities that result in goods and services being distributed to beneficiaries, customers, or members that fulfill the purposes or mission for which the organization exists. (*Richard F. Larkin, CPA, BDO Seidman, LLP.*  
<https://www.nonprofitaccountingbasics.org/fundraising/accounting-fundraising-expenses>)

**Promise to Give** A written or oral agreement to contribute cash or other assets to another entity. A promise to give may be either conditional or unconditional. (*AFP Dictionary*)

**Recaptured Donor** A previously lapsed donor who makes a new gift. (*FEP Glossary of Terms Appendix*)

**Reporting Period** A calendar period for detailed fiscal reports (monthly, quarterly, annual).

**Resource Allocation** A distribution method to share common expenses. (*Merriam Webster*)

**Restricted Support** Donor-restricted revenues or gains from contributions that increase either temporarily restricted net assets or permanently restricted net assets. (*BoardSource Glossary of Financial Terms*)

**Return on Investment (ROI)** Measure of the efficiency of an organization or program, calculated as the ratio of net income received to the expended funds. 1b the monetary amount derived by this calculation. (*AFP Dictionary*)

**Salaries** **1.** Fixed compensation paid regularly for services rendered. (*Merriam Webster.com*)  
**2.** Fixed compensation periodically paid to a person for regular work or services. (*Dictionary.com*)

**Salaries and Benefits** **1.** a fixed regular payment, typically paid on a monthly or biweekly basis but often expressed as an annual sum, made by an employer to an employee, especially a professional or white-collar worker. (*Merriam Webster*) **2.** a payment or gift made by an employer, the state, or an insurance company.

**Solicitation** **1.** To ask (a person or group) for a contribution of money, resources, a service, or opinion; to request or try to acquire (such a contribution). **2.** To make a request or appeal as for such a contribution. (*AFP Dictionary*)

**Solicitation Activity** A specific fundraising responsibility center for which a separate measurement of expense and/or revenue is desired. An activity is the lowest common denominator, lowest level of detail, or lowest grouping of revenues and expenses required for financial management of program activities and supporting activities, which include fundraising activities. (*AFP Dictionary*)

**Special Events** A highly popular solicitation program among volunteers and attendees designed for personal participation at entertaining occasions that provide high media visibility for the organization and its mission. (*AFP Dictionary*)

**Special Project Campaigns** Soliciting gifts and grants from selected or all sources for specific purposes that required special funding but usually not requiring a capital campaign. (*Fundraising Responsibilities of Nonprofit Boards, 2009*)

**Staff Time Sheet** **1.** NonprofitAccountingBasics.org says that staff time sheets are the most accurate method of allocation of salaries, fringe benefits and other indirect and overhead expenses: “Not-for-profits must record expenses on a functional basis. Salaries are generally the organization’s largest expense. Allocating this expense to the various functions on an equitable and consistent basis is the key to properly reflecting the activity of the not-for-profit. (*Patricia A. O’Malley, CPA.* <https://www.nonprofitaccountingbasics.org/payroll/timesheet>). **2.** Time sheets are the most accurate method of allocating salary expense. Time sheets should be submitted by all employees for each pay period. The hours should be converted into percentages. (*IRS Definition*)

**Statement of Activities** The income and expenses for a specified period. Formerly statement of income and expenses. (*AFP Dictionary*)

**Statement of Financial Position** **1.** A statement that summarizes an organization's financial status at a specific point in time, usually monthly. Formerly balance sheet. (*AFP Dictionary*)  
**2.** Represents and displays all of an organization’s financial assets, liabilities, and net assets at a snapshot in time, usually the end of an accounting period (month, quarter, year), and conforms to the following equation: assets = liabilities + net assets. (*BoardSource Glossary of Financial Terms*)

**Telephone Solicitation** a fundraising effort in which volunteers or employees, or both, solicit gifts or pledges by telephone. (*AFP Dictionary 2017*)

**Testimonials/Tributes** a statement by a person whose credibility or competence serves as a positive promotion of an organization, cause, or effort. (*AFP Dictionary 2017*)

**Total Expenses** What an organization spends to conduct its activities (for example, salary, office supplies, rent). (*BoardSource Glossary of Financial Terms*)

**Upgrade Donors** To increase or attempt to increase the level of donor giving. (*AFP Dictionary*)

**Volunteer-Led Personal Solicitations** To meet with donors, thank them for past support, answer questions, bring them current information, invite them to continue their contributions, and thank them for their decision. (*Fund-Raising Cost Effectiveness. 1996, p. 110*)