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# Non-Profit Lingo & Terminology

Guide

# Center4 Nonprofit Lingo & Terminology Guide

## Plain-Language Definitions to Help Nonprofits Communicate, Govern, and Fundraise with Confidence

*A free, vendor-neutral educational resource for nonprofit organizations*

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### About This Guide

The nonprofit sector has its own language—filled with acronyms, legal terms, fundraising jargon, and governance phrases that can be confusing even for experienced professionals. New staff, board members, volunteers, and community partners are often expected to understand this language without ever being taught it.

This **Center4 Nonprofit Lingo & Terminology Guide** is a fully rewritten, expanded, and rebranded replacement for the original Nonprofit Lingo guide [filecite?turn13file0](#). All references to **Nonprofit Hub**, its branding, websites, social media, and services have been completely removed.

This guide is **educational, nonprofit-first, and vendor-neutral**, designed to serve as a practical reference that demystifies nonprofit language and promotes clearer communication across organizations.

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### Why Understanding Nonprofit Lingo Matters

Clear language supports stronger nonprofits.

When nonprofit terminology is misunderstood:

- Boards may struggle with governance responsibilities
- Staff may misinterpret financial or compliance requirements
- Donors may feel confused or disengaged
- Volunteers may feel excluded from decision-making

A shared understanding of common terms improves transparency, trust, and effectiveness.



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## How to Use This Guide

This guide is designed to be: - A quick reference for unfamiliar terms - A training resource for onboarding staff and board members - A shared vocabulary tool for leadership discussions

Terms are written in **plain language**, with additional context where helpful.

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## Core Nonprofit Terms (Plain-Language Definitions)

### Advancement

A coordinated approach to growing an organization through fundraising, relationship building, communications, and community engagement.

### Advocacy

Efforts to educate, influence, or mobilize individuals or decision-makers in support of a mission or public cause.

### Annual Campaign

A recurring fundraising effort, typically conducted once per year, to support general operating expenses.

### Annual Report

A summary—often digital—of a nonprofit’s activities, finances, and impact over the previous year, shared with donors and stakeholders.

### Appeal

A request for financial support, often tied to a specific campaign, season, or urgent need.

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## Governance & Board-Related Terms

### Board of Directors

A governing body legally responsible for overseeing a nonprofit’s mission, finances, and compliance.



## Bylaws

An organization's internal operating rules, outlining board structure, roles, voting procedures, and governance processes.

## Board Resolution

A formal written record of a board decision, often used for legal or financial actions.

## Conflict of Interest

A situation in which personal or financial interests could improperly influence decision-making.

## Minutes

The official written record of what occurred during a board or committee meeting.

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## Financial & Fundraising Terms

### Capital Campaign

A time-limited fundraising effort focused on raising significant funds for major projects, such as facilities or endowments.

### Endowment

Funds invested to generate long-term income for a nonprofit's mission.

### Earned Revenue

Income generated through fees, services, or products related to a nonprofit's mission.

### Restricted Funds

Donations that must be used for a specific purpose designated by the donor.

### Unrestricted Funds

Donations that can be used at the organization's discretion to support its mission.

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## Donor & Giving-Related Terms

### Major Gift

A significant donation that represents a meaningful portion of an organization's fundraising goals.

### Planned Giving / Legacy Giving

Future gifts arranged during a donor's lifetime, often through wills or trusts.

### Matching Grant

A grant that requires an organization to raise a certain amount of funds to unlock the award.

### In-Kind Donation

Non-cash contributions such as goods, services, or professional expertise.

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## Compliance & Legal Terms

### 501(c)(3)

A federal tax-exempt designation for charitable organizations in the United States.

### IRS Determination Letter

Official confirmation that the IRS has approved an organization's tax-exempt status.

### Form 990

The annual information return most nonprofits must file with the IRS.

### Operating Reserve

Unrestricted funds set aside to help an organization manage unexpected expenses or revenue disruptions.

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## Program & Impact Terms

### Capacity Building

Investments that strengthen an organization's internal systems, skills, or infrastructure.



## Program Evaluation

The process of measuring how effectively a program achieves its intended outcomes.

## Social Impact

The measurable positive change an organization creates for individuals or communities.

## Underserved Communities

Groups that face barriers to accessing essential resources or opportunities.

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## Acronyms Commonly Used in the Nonprofit Sector

- **AFP** – Association of Fundraising Professionals
- **CFRE** – Certified Fund Raising Executive
- **DAF** – Donor-Advised Fund
- **EIN** – Employer Identification Number
- **GAAP** – Generally Accepted Accounting Principles
- **LOI** – Letter of Intent
- **MOU** – Memorandum of Understanding
- **RFP** – Request for Proposal
- **UBIT** – Unrelated Business Income Tax

(When in doubt—ask. Acronyms should never replace clarity.)

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## Appendix A: When to Use—and Avoid—Nonprofit Jargon

**Use sector language when:** - Communicating with boards or funders - Completing compliance or grant documents

**Avoid jargon when:** - Speaking with donors or the public - Engaging program participants - Recruiting volunteers

Clarity builds trust.



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## Appendix B: Lingo as a Leadership Tool

Leaders set the tone for communication. Encouraging questions and explaining terminology: - Builds confidence - Reduces power imbalance - Improves collaboration

A strong nonprofit does not hide behind jargon.

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## Conclusion

Nonprofit language should empower—not exclude. By understanding and using terminology intentionally, organizations can improve governance, fundraising, and communication while welcoming more people into their mission.

This guide is designed to be shared, bookmarked, and revisited as your organization grows.

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*Center4 provides free, practical, vendor-neutral resources to help nonprofit organizations strengthen leadership, communication, and long-term impact.*

