

Glossary of Fundraising Terms

Annual Fund - Any organized effort by a nonprofit institution or program to secure gifts on an annual basis, either by mail or through direct solicitation, or both. Also, frequently called Annual Appeal, or Annual Giving Program.

Benefit - A form of fundraising, which involves the organization and staging of a special event for charitable purposes, with all proceeds above expenses designated as a contribution to the charitable institution concerned.

Campaign - An organized effort to raise funds for a nonprofit organization through solicitation by volunteers or by direct mail or both.

Case - The combination of reasons advanced by an institution or agency in justification of its appeals for support, with emphasis on its services, past, present and potential. One of the three basic pedestals on which fund-raising success must rest, the others being leadership and fields of support.

Capital Campaign - A campaign to raise substantial funds for a nonprofit organization to finance major building projects, to supplement endowment funds and to meet other needs demanding extensive outlays of capital.

Case Statement - A carefully prepared document that sets forth in detail the reasons why an institution or agency merits support, in the context of the "case bigger than the institution," with substantial documentation of its services, its human resources, its potential for greater service, its needs and its future plans.

Charitable Institution - Any private institution or agency that operates on a nonprofit basis for the public good and which is therefore exempt from taxation, with the exception of commercial operations in which it may be involved.

Constituency - A category of donors and prospective donors, such as alumni, parents, members, staff doctors, and in a broader sense, individuals, corporations and foundations.

Cultivation - The process of gradually developing the interest of an important prospective contributor through exposure to institutional activities, people, needs and plans to the point where he may consider a major gift

Deferred Gift - The creation of a vested future interest in property for the benefit of a charitable institution.

Development - A term used since the mid-1940's to define the total process of institutional fundraising, frequently inclusive of public relations and alumni affairs.

Development Committee - May be synonymous with development board, or may be a committee of a board of trustees or directors charged specifically with overseeing development operations.

Donor recognition - The policy and practice of recognizing gifts, first through immediate acknowledgment by card or letter, and subsequently through personalized notes, personal expressions of appreciation directly to donors, published lists of contributors, and in other appropriate ways.

Endowment Fund - A fund established to provide income for the maintenance of a nonprofit organization. Endowment funds generally are established by donor-restricted gifts and are limited in use to the purpose originally dictated by the donor. The principal of a permanent endowment must be maintained permanently.

"Face-to-Face Solicitation" - Solicitation directly via a call on a prospective contributor at his/her home, office or other selected location.

Fields of Support - Sources of prospective gifts, essential to all fundraising efforts and one of the three pedestals on which they rest, the others being case and leadership. See also Constituency.

Fund - (1) Used variously to denote the vehicle for securing annual contributions, as in alumni fund; the goal of a capital campaign; goals of a special program or project; or a philanthropic foundation. (2) (verb) To give value to a trust, as to fund with securities or cash.

Gift Range Table - A projection by dollar amounts and total numbers for each category of gifts believed necessary to achieve a campaign goal, and emphasizing the importance of "big" gifts.

Goal - The overall financial objective of any campaign or development program.

Leadership - The sine qua non of any campaign organization, and one of the three major pedestals on which fundraising success must rest, the others being case and fields of support. Campaign leaders provide the drive and the enthusiasm, which are essential to motivation of the entire organization of volunteers.

Mail Campaign - A campaign, usually on a broad basis, conducted by mail, frequently with several mailings over a specified period.

Objectives - The specific and measurable purposes for which a campaign is mounted, encompassing the full scope of the stated need for the campaign.

Philanthropy - According to one dictionary definition, "the spirit of active good will toward one's fellow men, especially as shown in efforts to promote their welfare." Generally, the philosophy and practice of supporting, through financial and other contributions, programs and campaigns conducted by charitable institutions.

Proportionate Giving - Giving that is commensurate with an individual or group capability in light of such factors as age, family commitments, economic circumstances, and the like.

Proposal - A carefully prepared written request for a gift or grant; also known as presentation.

Prospect Rating - A procedure for evaluating the giving potentials of various prospects through judgments of knowledgeable persons, functioning as a special campaign committee.

Prospect Research - The continuing search by development offices for new and pertinent information concerning prospects already on record and for identification of individuals, foundations, corporations, etc., not yet listed, utilizing numerous reference sources.

Quota - Percentage of a total fundraising goal assigned to a division or other unit of the campaign organization.

Sequential Giving - A cardinal principle of fundraising counsel that gifts in a campaign should be sought "from the top down," i.e., that the largest gifts in a gift range table should be sought at the outset of a campaign, followed sequentially by the search for lesser gifts.

Sight-Raising - Calculated attempts employing various strategies to induce previous donors as well as undecided prospects to raise their levels of giving.

Special Event - A public ceremony such as a dedication or a groundbreaking ceremony, or an event specially contrived, which serves to focus attention on an institution during a fundraising campaign and thus aids in the cultivation process.

Special Project - A program or project requiring special funding but usually not of sufficient proportions to necessitate a campaign.

Sponsors - Prominent individuals who agree to use their names on letterheads and other campaign literature in order to convince readers that the campaign or program has high-level endorsement.

Subordinate File - One of various categories of files maintained by development offices, such as foundations, corporations, organizations and the like, all of which are listed alphabetically in a master locator file.

Support Services - Technical aspects of a development program or fundraising campaign, which deal with such areas as prospect research, mailings of appeal letters, gift processing, list preparation and clerical operations generally.

Telephone Campaign - A technique, employed especially in alumni fund campaigns, to secure verbal commitments for gifts via telephone calls from teams of solicitors working out of a central headquarters.

Voluntarism, Volunteerism - The willingness of private citizens to serve voluntarily a great variety of programs and causes, both in fundraising campaigns and in other capacities.

Year-End-Giving - The practice among many charitable organizations of seeking gifts, usually via mail campaigns, in the last two or three months of a calendar year on the premise that prospects will take last-minute advantage of opportunities to secure tax deductions.