

JARGON BUSTER

A

Accounts

The financial accounts of the organisation for the past 2 or 3 years (depending on the amount applying for), enabling checks to be made on the financial stability of the organisation.

Asset Lock

Is a legal clause in the governing document that prevents assets of a company from being used for private gain rather than the stated purposes of the organisation.

B

Budget

The financial plan for your project. Funders will usually want to know exactly how you plan to spend the money that you are bidding for.

C

Capacity Building

Developing skills and knowledge that enable a community to take action in areas that concern them. Providing support that enables community groups to become independent and achieve their goals.

Capital

Funding which is spent on buildings (fixed asset) or equipment. It is important to understand the difference between capital and revenue funding, as some funders can only provide capital funding, others only revenue.

Charitable Aims

If an organisation is not registered as a charity, but still does charitable work, it can be said to have 'charitable aims'.

Charitable Status

An organisation that is registered with the Charities Commission has charitable status.

Community Empowerment

Helping communities to gain the confidence and skills to enable them to influence decisions that affect the places they live and the services that they use.

Community Groups

Groups made up of members of the local community, for example Residents Associations.

Community Interest Company

Introduced in 2005, CICs, are designed for social enterprises that want to use their profits and assets for the public good.

Company Limited by Guarantee

An incorporated firm without share capital, in which the liability of its members is limited by the amount each one of them undertakes to contribute at the time the firm is wound up, usually £1.

Consortium

Where two or more organisations have joined together under a formal agreement that effectively binds them into a single organisation (a single legal entity).

Constitution

A document that sets out the aims and objectives of a community organisation, and how it will be run. Many funders will only consider making grants to an organisation that has one in place. If you would like advice on setting up a constitution, your local advisory service should be able to help such as CAVA or Sandwell Voluntary Service Council.

Co-operative Society

A commercial enterprise owned and managed by, and for the benefit of, customers or workers.

Core Costs

The organisation's overheads. These may include: rent, rates, utilities, insurance premiums and costs associated with staff who work for the whole organisation.

D

Dissolution Clause /Winding Up

Is a statement in the governing document that explains what the organisation will do with its assets in the event that the organisation dissolves.

Due Diligence

This is the process we undertake to check the financial position and governance of an organisation when an application is received.

E

End of Grant report

An online reporting form provided by Heart of England Community Foundation, to all successful applicants, to enable them to provide feedback on what the awarded grant has achieved. It provides a measure whether an organisation is providing the services agreed in the funding agreement.

Exit Strategy

What you plan to do when the funding that you are applying for runs out. Often funders will want their money to kick-start a project that will then be able to maintain itself after initial funding has been spent.

Expression of Interest

An initial application for funding. If you are applying for a large amount of money, the application may be in several stages. The first stage is often a very brief statement of your intention to apply and what you will do with the money, known as an 'expression of interest'.

External Funding

Funding which is obtained from a source outside your organisation, for example Lottery Funding, or a grant from a charitable trust.

F

Friendly Society

A mutual organisation, composed of a body of people who join together for a common financial or social purpose.

Full Cost Recovery

Recovering or funding the full costs of a project or service. For example the full cost would include costs directly related to the project (such as staff and equipment) but would have other support costs such as finance, human resources, management and IT systems. This means that you can request funding for direct project costs and for a proportionate share of your organisation's overheads.

Funder

An organisation to which you can apply for funding. For example, the National Lottery Community Fund (BIG Lottery Fund) or the Heart of England Community Foundation.

Funding Agreement

A written agreement, signed by representatives of both the funder and the organisation, including payments, how disputes will be resolved, the services to be delivered and how their success will be measured.

Funding Bid

An application for a grant.

Funding Streams

Different sources of funding which are available.

G

Governing Body

A group of people that manage the governance of an organisation. This could be a board of directors, trustees or a management committee (unincorporated organisation).

Governing Documents

Documents that state how an organisation manages itself, for example a constitution.

Grant-Making

Making funding available with certain conditions and criteria.

H

I

Indicator

What is measured to gauge the performance of an organisation.

Infrastructure Support

Organisations that can help you with your funding applications or provide advice on where to apply. They can also provide support with policies and other organisational development.

J

K

L

Local Authority

A local authority is an organisation that is officially responsible for all the public services and facilities in a particular area. For example Coventry City Council is the local authority for Coventry.

Lottery Funding

Funding made available to good causes raised by ticket sales from the National Lottery.

M

Match Funding

Funding which is used to 'match' another source of money. Some funders will not fund a project entirely, and one of the criteria will be that you find match funding from elsewhere. Other funders prefer to fund entire projects and will not allow their grants to be used as match funding.

Memorandum of Association

Rules for managing the external affairs of an organisation. Together with the articles of association, this makes up the constitution of a legally incorporated organisation.

Monitoring

Checking whether an organisation has delivered the services as agreed and reviewing the achievements / impact - this could include interim monitoring as well as end of grant monitoring and project visits.

N

Not-for-Profit Organisation

An organisation that does not seek to make a profit. This can include community interest companies, companies limited by guarantee, co-operative societies, friendly societies, social enterprises and unincorporated associations.

O

Outcomes

An outcome is what you would like to achieve. It is the results, changes or impact of outputs that make a difference to people's lives.

Outputs

An output is what is done to achieve an outcome. For example, an outcome would be 'the improvement of community facilities' and the output would be 'the building of a new community centre'.

P

Partnership

Two or more distinct groups who work together to provide a service.

Private Sector

Privately owned businesses that are run for a profit.

Professional Indemnity

Insurance taken out by organisations which give advice. The aim is to help protect them against claims for compensation for providing poor or incorrect advice.

Project

A defined activity for which funding is being sought.

Public Liability

Insurance taken out by organisations to protect them against claims from the public for compensation after an accident, for instance, or anything else where the organisation may be held responsible. If members of the public have access to these organisations, then the organisation must have this insurance.

Public Sector

Organisations owned and run by central or local government.

Q

Quality Assurance Standards

Awards that indicate that your services are of the type and quality needed.

R

Registered Charity

An organisation registered with the Charity Commission

Reserves

Money shown in your accounts at the end of the financial year. These are generally categorized as restricted and unrestricted reserves.

Restricted Reserves

Money shown in your accounts that are to be used only for certain things. Such as other grants awarded for specific projects.

Retrospective Funding

Funding for a project which has already taken place.

Revenue

Money which is spent on salaries, training costs, room hire or heating and lighting bills etc. It is important to know the difference between revenue and capital.

S

Social Enterprise

Businesses set up to tackle a social or environmental issue. Social Enterprises trade goods and service, but any profit made is reinvested back into the business rather than used to benefit individuals or investors.

Statutory Body/Services

A statutory body is an organisation funded by the government. For example, Coventry City Council is a statutory body. Statutory services are mandated and paid for by central or local government such as education and health.

Sustainability

Part of the application process for many sources of funding is looking at how your project could continue after the grant funding is spent. Projects which will still be viable after initial grant funding has been used are particularly attractive to many funders.

T

Target Group

The group that are the main, but not always the only, beneficiaries of your project or services.

Targets

Measurements that an organisation aims for when gauging its performance.

Third Sector

Community groups, voluntary groups and charities make up the third sector. The public and the private sectors are the other two.

U

Unincorporated Associations

Where a number of individuals come together for a common purpose with a constitution/set of rules. An organisation with no separate legal identity.

Unrestricted Reserves

Money shown in your accounts that can be spent on whatever the management committee sees fit. The Charity Commission recommends organisations have 3-6 months unrestricted reserves.

V

Voluntary Organisations

Organisations that are governed by unpaid volunteers.

W

X

Y

Z