

COMMUNITY ACTION: MK

Funding Jargon Buster

Added Value

Shows how involvement of individuals/organisations can add to the initial investment in the development of a project.

Aims

The overall goal of your organisation or project.

Apportionment

Assigning a proportion of an organisation's central costs to a particular project (often the only way to fund core costs) (Also see Full cost recovery).

Assessment

The process the Funder uses to check your application.

Audit Trail

Transparent and traceable record of your processes (not just financial).

Baseline

Measure of where you are starting. The benefits of your project can be measured against the baseline to show what your project has achieved.

Beneficiaries

The people, or purposes, your project aims to work with or support.

Budget

A financial plan showing income (money coming in) and expenditure (money going out) for the year ahead.

Business Plan

A written document stating what an organisation is proposing to do over the next 2-5 years, how it will do it, and a forecast of income and expenditure.

Capacity Building

Building the capabilities, skills and knowledge of individuals or groups so they can progress.

Capital Funding

One off costs such as purchase of equipment or building.

Charitable Trusts and Foundations

Also known as Grant making trusts or foundations, these are bodies which are set up with an amount of money to benefit people or charitable activities. The money held by a Trust is normally invested and the income generated is awarded as grants to good causes.

Child Protection Policy

A clear and concise policy showing the group's commitment to protecting children. It shows that the group takes child protection seriously in all aspects of its activities.

Commissioning

The process of assessing the needs of people in an area, considering how best and by whom those needs can be met, and then planning the provision of services.

Constitution

A document which sets out rules on how an organisation should operate. It states the aims, purpose, powers of the groups and gives the group a framework within which to work.

Contingency Costs

Money in budget for unforeseen circumstances.

Contracting

Earning income from payment of goods and services delivered according to the terms set out in a contract between an organisation and a third party known as a purchaser.

Core Funding

An organisation's central pot of money to cover running costs and overheads.

Criteria, policy

Definitions of what sort of activity and organisation a Funder will support.

Delivery Plan

Outlines a project or organisation's work into a series of stages to achieve specified outcomes.

Donors

Those who give or raise donations.

Equality and Diversity Policy

Written document which shows the group's commitment to nondiscrimination in all aspects of society.

Evaluation

An assessment to see to what extent the objectives of a project have been met, how effectively they were achieved, and what can be learned and applied to future work.

Evidence of Need

How you can demonstrate that the work you propose to carry out is actually needed and is what the beneficiaries require.

Exit strategy

A plan to 'exit' from a project or fund - either by winding down the project, or by generating income from it, or by finding new sources of funding.

Full Cost Recovery

Securing funding for all of your organisation costs associated with a project, including direct costs of your project and the overheads.

Fundraising Strategy

A written plan which sets out future projects for your group and how you intend to fund them. It helps you to plan a project, and identifies actions, timescales and possible funding sources.

Funders

Organisations offering grants or other funds.

Gift Aid

Tax relief on money donated to UK charities. HM Revenue and Custom (HMRC) treat donations as if the donor had already deducted basic rate tax from them. The charity can then reclaim this tax to increase the value of a donation.

Good track record

Organisations with a history of successful work in a particular area or field of work.

Governing Documents

A written document which sets out your group's aims and objectives and how the group will operate. Examples include a Constitution or Memorandum and Articles of Association.

Grants

Set amounts of cash given to assist projects.

Impact

The difference your work or project makes.

Income Diversification

Exploring different sources of income to fund your group or project.

In kind

Donated products, materials or old equipment which are given instead of financial help.

Legacy

Any gift you leave in your will to a person or organisation.

Leverage

Using one funder's grant aid to 'lever' in (i.e. attract) further money from other sources, so increasing the value of their grant.

Matched Funding

Funding that depends on others contributing to the project. This could be the group's own funds, other grants or earned income. It can take into account funding 'in kind' such as volunteers' time.

Milestones

Interim targets which show how far a project is progressing towards its ultimate goal.

Monitoring

Collecting and recording information about what is happening with your work.

Needs Analysis

The exercise you undertake to establish the need for a piece of work.

Outcomes

The changes or benefits that your organisation brings about.

Outputs

The activities, services or products that your organisation provides in order to achieve the overall aims and outcomes of the project.

Payroll Giving

Also known as Give as you Earn. Companies can encourage staff to give an amount from their pay packet each month to a chosen charity, and often match fund this donation.

Performance indicators

Pre-set measures by which you can measure the outputs and outcomes of your project.

Pilot Studies

A way of testing out an idea or project to see if it suits the needs your targeted group before applying for long term funding.

Procurement

The whole process of buying goods and services, from initial advertising through to appropriate contracting arrangements.

Project

A piece of work with time and resource limits, working towards predefined aims and objectives.

Public Sector

That part of the economy that is concerned with providing government services (health, education, social security, etc.)

Reserves

The amount of unspent money that an organisation has at the end of the financial year.

Revenue Funding

Revenue costs are ongoing costs such as rent, heating, etc.

Ring-fenced funds (also called restricted funds)

Money which is allocated to cover expenditure on a specific item or activity.

Seedcorn Money

Money to start something 'growing', e.g. a new project.

SMART (Normally relates to setting aims and objectives)

- Specific—what exactly will your project achieve?
- Measurable—how will you measure it to know whether it has been successful?
- Achievable—can your organisation manage the project and attain the goals set?
- Realistic—can you realistically deliver the aims you have set?
- Time Based - what time scales will you set to achieve your aims?

Social Enterprise

Businesses with primarily social objectives whose surpluses are principally reinvested for that purpose in the business or in the community, rather than being driven by the need to maximise profit for shareholders and owners.

Stakeholder

A group or individual with an interest in an activity.

Sustainable Funding

Funding which comes from a range of sources, and which spreads risk to ensure a voluntary group is best placed to safeguard their financial future. In essence, it is about 'not keeping all your eggs in one basket'.

SWOT analysis

The Strengths, Weaknesses, Opportunities and Threats that your group and future projects face and how you may overcome this.

Tender

A written bid outlining a supplier's desire, capacity and plan of how to deliver a piece of work, service or supplies.

Unique Selling Point (USP)

Describing what makes your group unique and what would convince funders to invest in you.

Unrestricted Funds

An amount of money that an organisation can spend on what it wishes, within the law.

User Involvement

Actively including users' opinions as part of the decision making process as to how the project or organisation should be run.

Talk to our Support Team for more help
Support@CommunityActionMK.org or call 01908 661623

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