A Practical Grants Glossary of Terms

for Nonprofits, Grant Writers & Community Leaders

Prepared by

CASTILLO
CREATIVE CONSULTING

Created January 21, 2022
Last Update October 27, 2025

www.castillocreativeconsulting.com

GRANT BASICS

Term	Definition	Why It Matters
Grant	A grant is a financial award given by a government agency, foundation, or corporation to support a specific project, program, or organization. Unlike loans, grants do not need to be repaid.	Grants provide essential funding to help organizations launch or expand programs, serve communities, and achieve their mission without taking on debt.
Grantor (Funder)	The entity that provides the grant funding. This can be a government agency, private foundation, corporation, or community organization.	Understanding who the funder is helps you tailor your proposal to their priorities and build relationships for future opportunities.
Grantee	The individual or organization that receives the grant funding.	As a grantee, you are responsible for using the funds as promised and reporting back to the funder.
Nonprofit	An organization that operates for a charitable, educational, or public benefit purpose rather than for profit.	Most grants are designed for nonprofits, so having this status opens the door to funding opportunities.
501(c)(3)	A designation by the IRS that grants tax-exempt status to qualifying nonprofit organizations.	Many funders require applicants to have 501(c)(3) status to ensure donations are tax-deductible and the organization is mission-driven.
EIN (Employer Identification Number)	A unique nine-digit number issued by the IRS to identify a business or nonprofit for tax purposes.	Required for opening bank accounts, filing taxes, and applying for grants — it's like a Social Security number for your organization.
Fiscal Sponsor	A nonprofit organization that agrees to manage grant funds and provide oversight for a project that doesn't have its own 501(c)(3) status.	Allows grassroots or emerging projects to access funding and operate under the umbrella of an established nonprofit.
Funding Cycle	The timeline of a grant opportunity, from announcement to application, award, implementation, and reporting.	Knowing the cycle helps you plan ahead and stay on track with deadlines and deliverables.

Term	**Definition**	**Why It Matters**
NOFA (Notice of Funding Availability)	A public announcement that a grant opportunity is open, including details about eligibility, deadlines, and application requirements.	It's your first signal that funding is available — reading it carefully ensures you don't miss key details.
RFP (Request for Proposals)	A formal invitation from a funder asking organizations to submit proposals for funding.	The RFP outlines what the funder is looking for and how to apply — it's your roadmap to a successful application.
LOI (Letter of Intent)	A brief letter submitted to a funder expressing your interest in applying for a grant. It usually includes a summary of your project and goals.	Often the first step in the grant process — a strong LOI can lead to an invitation to submit a full proposal.
Application Package	The complete set of documents required to apply for a grant, including forms, narratives, budgets, and attachments.	A complete and well-organized package increases your chances of being considered for funding.
Deadline	The final date and time by which your grant application must be submitted.	Missing the deadline usually means automatic disqualification — planning ahead is critical.
Award Letter	An official document from the funder notifying you that your grant application has been approved and outlining the terms of the award.	It's your formal agreement with the funder — read it carefully to understand your obligations.
Decline Letter	A notice from a funder that your application was not selected for funding.	While disappointing, it can offer feedback and help you improve future applications.

ORGANIZATIONAL READINESS

Term	Definition	Why It Matters
Grant Readiness	The level of preparation an organization has to apply for, receive, and manage grant funding effectively. This includes having the right documents, systems, and capacity in place.	Being grant-ready increases your chances of winning funding and delivering on your promises without delays or compliance issues.
Mission Statement	A brief statement that defines your organization's purpose, who it serves, and what it aims to achieve.	Funders use this to determine if your goals align with theirs — it's your identity in one sentence.
Vision Statement	A forward-looking statement that describes the long-term impact your organization hopes to make.	Shows funders your ambition and how their support contributes to a bigger picture.
Strategic Plan	A document outlining your organization's goals, strategies, timelines, and metrics for success over a set period (usually 3–5 years).	Demonstrates that your organization is focused, goal-oriented, and prepared to use funding wisely.
Board of Directors	A group of individuals who oversee the governance and strategic direction of a nonprofit organization.	Funders want to see strong leadership and accountability — a qualified board builds trust.
Bylaws	Internal rules that govern how your organization operates, including decision-making, meetings, and roles.	Required for incorporation and grant eligibility — shows structure and transparency.
Articles of Incorporation	Legal documents filed with the state to officially form a nonprofit organization.	Proof that your organization is legitimate and eligible for funding.
Organizational Chart	A visual diagram showing staff roles, reporting lines, and departments.	Helps funders understand your capacity and who will manage the grant.
Staff Capacity	The skills, experience, and availability of your team to carry out grant-funded work.	Funders assess whether you can realistically deliver the proposed project.
Financial Statements	Reports that show your organization's income, expenses, assets, and liabilities — typically includes a balance sheet and income statement.	Funders use these to evaluate your financial health and stewardship.

Term	Definition	Why It Matters
Annual Budget	A projection of your organization’s income and expenses for the year.	Shows that you plan ahead and can manage funds responsibly.
Audit	An independent review of your financial records by a certified public accountant (CPA).	Builds funder confidence in your financial integrity and systems.
Conflict of Interest Policy	A written policy that prevents board or staff members from benefiting personally from organizational decisions.	Required by many funders to ensure ethical governance.
Insurance Coverage	Liability, property, or other insurance policies that protect your organization and its assets.	Shows you’re prepared for risks and can protect funder investments.

PROPOSAL DEVELOPMENT

Term	Definition	Why It Matters
Grant Proposal	A formal written request for funding that outlines your project, goals, budget, and expected outcomes.	It's your opportunity to convince the funder that your project is worth investing in.
Proposal Narrative	The main body of the grant proposal that tells the story of your organization, the problem you're addressing, and how you'll solve it.	Funders rely on this to understand your mission, strategy, and impact.
Executive Summary	A brief overview of your proposal, usually one page, summarizing the key points.	It's the first impression — a strong summary can hook the reader and encourage deeper review.
Statement of Need	A section that explains the problem your project addresses and why it's urgent or important.	Justifies your request and shows alignment with the funder's priorities.
Goals	Broad, long-term outcomes your project aims to achieve.	Helps funders understand your vision and the change you want to create.
Objectives	Specific, measurable steps that lead to achieving your goals.	Funders want to see clear, actionable plans with trackable results.
SMART Goals	Goals that are Specific, Measurable, Achievable, Relevant, and Time-bound.	Shows that your project is well-planned and realistic.
Activities	The tasks or actions you'll carry out to meet your objectives.	Demonstrates how you'll implement your plan and use the funding.
Timeline	A schedule showing when each activity will take place.	Helps funders assess feasibility and planning.
Logic Model	A visual diagram that maps out your inputs, activities, outputs, and outcomes.	Clarifies your strategy and shows how your work leads to impact.
Theory of Change	A detailed explanation of how and why your program will lead to the desired outcomes.	Shows your understanding of the problem and your solution's effectiveness.
Target Population	The specific group of people your project is designed to serve.	Funders want to know who benefits and how you'll reach them.

Term	Definition	Why It Matters
Outputs	The direct, countable results of your activities (e.g., number of workshops held).	Helps measure your productivity and deliverables.
Outcomes	The changes or benefits that result from your program (e.g., improved literacy rates).	Shows the deeper impact of your work on individuals or communities.
Indicators	Specific data points used to measure progress toward goals and outcomes.	Helps track success and guide improvements.
Evaluation Plan	A strategy for assessing your program's effectiveness and outcomes.	Funders want to see that you'll measure and report results.
Sustainability Plan	A plan for continuing the program after the grant ends, including funding and partnerships.	Shows long-term thinking and commitment to lasting impact.
Letters of Support	Written endorsements from partners, stakeholders, or community leaders.	Adds credibility and demonstrates collaboration and buy-in.
Partnerships	Formal or informal collaborations with other organizations to deliver the project.	Funders value shared resources and broader community impact.
Capacity Statement	A section that describes your organization's ability to carry out the proposed work.	Builds funder confidence in your team, systems, and experience.

BUDGET & FINANCE

Term	Definition	Why It Matters
Budget	A detailed financial plan that outlines how grant funds will be spent across different categories.	Funders use your budget to assess whether your project is realistic, cost-effective, and well-managed.
Budget Narrative	A written explanation of each line item in your budget, describing why the expense is necessary.	Adds clarity and justification, helping funders understand how each cost supports your goals.
Line Item	A specific entry in your budget that represents a single expense (e.g., “Staff Salaries” or “Supplies”).	Breaks down your spending plan into manageable parts for review and approval.
Direct Costs	Expenses that are directly tied to the delivery of your project (e.g., program staff, materials).	Funders want to see that their money is going toward core activities and services.
Indirect Costs	Overhead expenses that support your organization but aren’t tied to one specific project (e.g., rent, utilities).	Helps cover the true cost of running your organization and maintaining infrastructure.
Cost Allocation	The method used to divide shared costs across multiple programs or departments.	Ensures fair and accurate budgeting, especially when managing multiple grants.
Matching Funds	Money or resources your organization contributes to the project alongside the grant.	Shows funders that you’re invested and committed to the project’s success.
In-Kind Contributions	Non-cash support such as donated goods, volunteer time, or free space.	Demonstrates community support and can count toward match requirements.
Cash Match	Actual dollars provided by your organization or partners to support the project.	Often required by funders to show financial commitment and shared responsibility.
Budget Justification	A section that explains why each budget item is necessary and how the costs were calculated.	Builds funder confidence in your planning and financial stewardship.

Term	Definition	Why It Matters
Financial Management	The systems and processes used to track, report, and control your organization's finances.	Ensures compliance, transparency, and responsible use of grant funds.
Restricted Funds	Money that must be used for a specific purpose, as defined by the funder.	You must follow the funder's rules or risk losing future funding.
Unrestricted Funds	Money that can be used for any organizational purpose.	Offers flexibility and can be used to support operations or fill funding gaps.
Cash Flow	The movement of money in and out of your organization over time.	Helps you manage expenses and avoid shortfalls during the grant period.
Reimbursement	A process where you spend money first and then request repayment from the funder.	Requires strong documentation and financial tracking to avoid delays or denials.
Drawdown	Requesting grant funds from the funder, often in installments.	Ensures you receive funding as needed to implement your project.
Audit Trail	A clear record of financial transactions and decisions related to the grant.	Protects your organization during audits and shows accountability.
Fund Accounting	A system that tracks income and expenses by funding source.	Helps you manage multiple grants and meet reporting requirements.

GRANT MANAGEMENT & COMPLIANCE

Term	Definition	Why It Matters
Grant Agreement	A formal contract between the funder and the grantee that outlines the terms, conditions, and expectations of the grant.	It defines your legal responsibilities and what the funder expects in return for their investment.
Compliance	The act of following all rules, regulations, and conditions set by the funder and applicable laws.	Staying compliant protects your organization from penalties and ensures continued eligibility for future grants.
Reporting	The process of submitting updates to the funder about your progress, spending, and outcomes.	Funders use reports to track your performance and determine if their funds are being used effectively.
Monitoring	When a funder reviews your activities, finances, or outcomes to ensure compliance and progress.	Shows accountability and helps build trust with funders.
Closeout	The final steps taken at the end of a grant, including final reports and financial reconciliation.	Proper closeout ensures you meet all obligations and maintain a good relationship with the funder.
Site Visit	An in-person or virtual visit by the funder to observe your program and verify activities.	It’s a chance to showcase your work and demonstrate transparency.
Drawdown	Requesting grant funds from the funder, often in scheduled installments.	Ensures you receive funding when needed to keep your project moving.
Reimbursement	A process where you spend money first and then request repayment from the funder.	Requires strong documentation and financial tracking to avoid delays or denials.
Audit Trail	A clear and complete record of financial transactions and decisions related to the grant.	Protects your organization during audits and shows responsible stewardship.
Subrecipient	A partner organization that receives part of your grant funding to carry out specific activities.	You are responsible for their compliance and performance, so oversight is essential.

Term	Definition	Why It Matters
Risk Management	Identifying, assessing, and minimizing potential problems that could affect your project or funding.	Helps you avoid disruptions and maintain funder confidence.
Amendment	A formal change to the grant agreement, such as adjusting the budget or timeline.	Allows flexibility while maintaining compliance with funder requirements.
Grant Management System (GMS)	Software used to track grant applications, awards, reporting, and compliance.	Streamlines operations and helps you stay organized and accountable.
Program Officer	The funder's representative who oversees your grant and serves as your main point of contact.	Building a strong relationship with your program officer can lead to better support and future opportunities.

FUNDER TYPES & SOURCES

Term	Definition	Why It Matters
Federal Grant	Funding provided by a U.S. government agency, such as the Department of Education or Health and Human Services.	These grants are often large and competitive, with strict rules and reporting requirements.
State Grant	Funding provided by a state government to support regional or statewide initiatives.	Helps address local needs and may be more accessible than federal grants.
Local Grant	Funding provided by a city, county, or municipal agency.	Often easier to apply for and tailored to community-specific goals.
Foundation Grant	Funding from a private, family, or corporate foundation to support charitable work.	Typically more flexible and mission-driven, with a focus on impact.
Corporate Grant	Funding from a business or its philanthropic arm, often tied to community engagement or social responsibility.	Can offer financial support and visibility, especially for local projects.
Community Foundation	A local foundation that pools donations to support nonprofits in a specific region.	Great for grassroots organizations and place-based initiatives.
Donor-Advised Fund (DAF)	A charitable fund managed by an individual or family through a financial institution or foundation.	Offers private support and can be a source of flexible funding.
Faith-Based Funders	Religious organizations that provide funding aligned with their values and mission.	Can be a strong source of support for community and social service programs.
Public-Private Partnership (PPP)	A collaboration between government and private sector to fund and implement projects.	Leverages resources and expertise from multiple sectors for greater impact.
Endowment	A permanent fund invested to generate income for an organization's operations or programs.	Provides long-term financial stability and can support grant-funded work.

Term	Definition	Why It Matters
Individual Donors	People who give money directly to your organization, often through campaigns or events.	While not grants, individual giving can supplement grant funding and build community support.
Crowdfunding	Raising small amounts of money from many people, typically online.	Can demonstrate public interest and help launch new initiatives.
Social Impact Investment	Funding from investors who seek both financial return and social/environmental impact.	Offers alternative funding for innovative or scalable projects.
Challenge Grant	A grant that requires the organization to raise matching funds before receiving the award.	Encourages broader fundraising and shows community buy-in.
Seed Funding	Initial funding to start a new project or organization.	Helps launch ideas and attract additional support.

DATA & EVALUATION

Term	Definition	Why It Matters
Evaluation	The process of assessing a program's effectiveness, outcomes, and overall impact.	Funders want proof that their investment is making a difference — evaluation shows results.
Evaluation Plan	A written strategy for how you'll measure success, collect data, and report findings.	Demonstrates accountability and helps improve future programs.
Formative Evaluation	Evaluation conducted during a program to improve its design and performance.	Helps you adjust and improve while the program is still running.
Summative Evaluation	Evaluation conducted at the end of a program to assess its overall impact.	Provides funders with final results and lessons learned.
Baseline Data	Initial data collected before a program begins to measure change over time.	Establishes a starting point for comparison and impact measurement.
Indicators	Specific, measurable data points used to track progress toward goals.	Helps you quantify success and communicate results clearly.
Outputs	The direct, countable products of your activities (e.g., number of workshops held).	Shows what you did with the funding — essential for reporting.
Outcomes	The changes or benefits that result from your program (e.g., increased literacy).	Funders care most about outcomes — they reflect real-world impact.
Impact	The broader, long-term effects of your program on individuals, communities, or systems.	Demonstrates lasting change and supports future funding.
Data Collection	The process of gathering information to evaluate your program.	Ensures you have the evidence needed to report and improve.
Quantitative Data	Numerical data such as counts, percentages, or scores.	Useful for showing scale, trends, and measurable change.
Qualitative Data	Descriptive data such as interviews, stories, or observations.	Adds depth and context to your evaluation findings.

Term	Definition	Why It Matters
Performance Metrics	Standards or benchmarks used to measure how well a program is doing.	Helps track progress and identify areas for improvement.
Dashboard	A visual tool that displays key data and metrics in real time.	Makes it easier to monitor performance and share results.
Data Analysis	The process of examining data to identify patterns, trends, and insights.	Turns raw data into actionable information for decision-making.
Reporting Tools	Software or templates used to compile and present evaluation findings.	Streamlines communication with funders and stakeholders.
Continuous Improvement	Using evaluation results to refine and strengthen your program over time.	Shows funders that you're committed to learning and growth.

PARTNERSHIPS & COLLABORATION

Term	Definition	Why It Matters
Partnership	A formal or informal relationship between organizations that work together to achieve shared goals.	Funders value collaboration — it expands impact, shares resources, and shows community support.
Collaborator	An individual or organization that actively contributes to your project's design or implementation.	Strengthens your proposal by showing diverse expertise and shared responsibility.
Stakeholder	Anyone who has an interest in or is affected by your project — including clients, funders, staff, and community members.	Engaging stakeholders builds trust, relevance, and long-term success.
Community Engagement	The process of involving local residents, organizations, and leaders in planning and decision-making.	Ensures your project reflects real needs and gains public support.
Memorandum of Understanding (MOU)	A written agreement between partners outlining roles, responsibilities, and expectations.	Clarifies commitments and helps avoid misunderstandings during implementation.
Letter of Support	A written endorsement from a partner or stakeholder expressing support for your project.	Adds credibility and shows that others believe in your work.
Letter of Commitment	A formal letter from a partner confirming their specific contributions to the project.	Demonstrates shared investment and accountability.
Referral Partner	An organization that sends clients or participants to your program.	Expands your reach and strengthens service delivery.
Coalition	A group of organizations working together toward a common goal.	Shows collective impact and can attract larger funding.
Consortium	A formal alliance of organizations applying for or managing a grant together.	Useful for large-scale projects requiring diverse expertise.
Lead Agency	The primary organization responsible for managing a collaborative project or grant.	Funders need to know who's in charge and accountable.

Term	Definition	Why It Matters
Subrecipient	A partner organization that receives part of your grant funding to carry out specific activities.	You're responsible for their compliance and performance.
Capacity Building Partner	An organization that helps strengthen your team's skills, systems, or infrastructure.	Shows funders you're investing in long-term success.
Shared Services	When organizations pool resources like staff, space, or technology.	Improves efficiency and reduces costs — funders love smart collaboration.
Cross-Sector Partnership	Collaboration between organizations from different sectors (e.g., nonprofit, government, business).	Brings diverse perspectives and resources to complex challenges.

LEGAL & POLICY TERMS

Term	Definition	Why It Matters
501(c)(3)	A tax-exempt status granted by the IRS to nonprofit organizations that operate for charitable, educational, or public purposes.	Required by many funders — it confirms your nonprofit status and eligibility for tax-deductible donations.
EIN (Employer Identification Number)	A unique number assigned by the IRS to identify your organization for tax and legal purposes.	Needed for grant applications, banking, and legal filings — it's your organization's official ID.
Incorporation	The legal process of forming a nonprofit or business entity recognized by the state.	Establishes your organization as a legal entity eligible for grants and contracts.
Bylaws	Internal rules that govern how your organization operates, including leadership structure and decision-making processes.	Funders want to see that your organization is well-governed and accountable.
Articles of Incorporation	Legal documents filed with the state to officially create your organization.	Required for nonprofit status and grant eligibility.
Conflict of Interest Policy	A written policy that prevents board or staff members from benefiting personally from organizational decisions.	Ensures ethical governance and is often required by funders.
Whistleblower Policy	A policy that protects individuals who report unethical or illegal behavior within the organization.	Demonstrates transparency and commitment to integrity.
Record Retention Policy	Guidelines for how long your organization keeps financial, legal, and program records.	Helps with audits, compliance, and legal protection.
Non-Discrimination Policy	A statement that your organization does not discriminate based on race, gender, religion, or other protected categories.	Required by many funders and shows commitment to equity.
ADA Compliance	Adhering to the Americans with Disabilities Act to ensure accessibility for people with disabilities.	Shows inclusivity and may be required for public funding.

Term	Definition	Why It Matters
Lobbying Restrictions	Rules that limit how nonprofits can engage in political advocacy or lobbying.	Helps you stay compliant with IRS and funder regulations.
Grant Agreement	A legal contract outlining the terms, conditions, and expectations of the grant.	Protects both you and the funder — defines responsibilities and deliverables.
Intellectual Property (IP)	Legal rights to creations like written materials, logos, or software.	Important when your project involves original content or shared ownership.
Data Privacy	Policies and practices that protect personal and sensitive information collected during your program.	Required by law and funders — builds trust with participants.
Compliance	Following all legal, financial, and programmatic rules set by the funder and government.	Keeps your organization eligible for future funding and avoids penalties.

GRANT WRITING & COMMUNICATION TERMS

Term	Definition	Why It Matters
Grant Writing	The process of preparing and submitting proposals to secure funding from grant-making organizations.	Strong grant writing is essential to winning funding — it's how you tell your story and make your case.
Narrative	The written portion of a grant proposal that explains your project, goals, and impact.	It's your chance to connect with the funder and show why your work matters.
Tone	The style and attitude expressed in your writing — professional, passionate, confident, etc.	The right tone builds trust and keeps the reader engaged.
Clarity	Writing that is easy to understand, free of jargon, and well-organized.	Funders review many proposals — clear writing helps yours stand out.
Persuasive Writing	Writing that convinces the reader to support your project by highlighting need, impact, and credibility.	Helps you make a compelling case for funding.
Grant Template	A reusable structure or outline for writing proposals.	Saves time and ensures consistency across applications.
Boilerplate Language	Standard text used repeatedly in proposals, such as mission statements or organizational history.	Speeds up writing and ensures key information is always included.
Editing	Reviewing and refining your writing for grammar, clarity, and impact.	Polished proposals reflect professionalism and attention to detail.
Proofreading	Checking for spelling, punctuation, and formatting errors.	Prevents mistakes that could hurt your credibility.
Executive Summary	A short overview of your proposal that highlights the most important points.	Often the first thing funders read — it sets the tone for the rest of your application.
Cover Letter	A brief letter that introduces your organization and proposal to the funder.	Adds a personal touch and frames your request.
Appendices	Additional documents included with your proposal, such as charts, letters, or resumes.	Provides supporting evidence and context for your proposal.

Term	Definition	Why It Matters
Attachments	Required or optional documents submitted with your application (e.g., budget, IRS letter).	Missing attachments can disqualify your proposal — they complete your application.
Formatting	The layout and design of your proposal, including font, spacing, and headings.	Clean formatting makes your proposal easier to read and more professional.
Word Count Limit	A maximum number of words allowed for a section or entire proposal.	Staying within limits shows discipline and respect for funder guidelines.
Character Count Limit	A maximum number of characters (including spaces) allowed in a section.	Forces concise writing and ensures your proposal fits the application system.
Online Portal	A digital platform used to submit grant applications and track progress.	Understanding how to use the portal ensures smooth submission and communication.
Submission Confirmation	A receipt or notice that your application was successfully submitted.	Verifies that your proposal was received and is under review.

PROGRAM DESIGN & IMPLEMENTATION TERMS

Term	Definition	Why It Matters
Program Design	The process of planning a project's goals, activities, timeline, and evaluation strategy.	Strong design shows funders that your project is thoughtful, achievable, and impactful.
Program Implementation	The actual execution of your planned activities and services.	Funders want to know you can deliver what you promised — implementation is where plans become reality.
Work Plan	A detailed outline of tasks, timelines, and responsibilities for carrying out a project.	Helps keep your team organized and shows funders how you'll stay on track.
Milestones	Key achievements or checkpoints in your project timeline.	Demonstrates progress and helps monitor success.
Deliverables	Tangible products or outcomes that result from your project (e.g., reports, workshops).	Funders use these to measure what they're getting for their investment.
Staffing Plan	A description of who will work on the project, their roles, and qualifications.	Shows you have the right people in place to execute the work.
Roles & Responsibilities	A breakdown of who does what in your project team.	Prevents confusion and ensures accountability.
Capacity Statement	A section in your proposal that explains your organization's ability to carry out the project.	Builds funder confidence in your experience, infrastructure, and readiness.
Target Population	The specific group your program is designed to serve.	Funders want to know who benefits and how you'll reach them.
Service Delivery	The method by which your program reaches and serves its participants.	Helps funders understand how your work will be carried out in practice.
Accessibility	Ensuring your program is inclusive and usable by people of all abilities and backgrounds.	Funders prioritize equity and access — this shows you're prepared to serve everyone.
Cultural Competence	The ability to understand and respect cultural differences in service delivery.	Builds trust with participants and aligns with funder values around inclusion.

Term	Definition	Why It Matters
Scalability	The potential for your program to grow or be replicated in other settings.	Funders may be more interested if your project can expand its impact.
Innovation	A new or creative approach to solving a problem or delivering services.	Funders often seek fresh ideas that challenge the status quo.
Evidence-Based Practice	A program or strategy that is supported by research and proven results.	Shows funders that your approach is grounded in data and likely to succeed.
Pilot Program	A small-scale version of a project used to test its effectiveness before full rollout.	Demonstrates planning and reduces risk for funders.
Technical Assistance	Support provided to help organizations improve their operations or program delivery.	Can strengthen your proposal and show commitment to quality.

CAPACITY BUILDING & ORGANIZATIONAL DEVELOPMENT TERMS

Term	Definition	Why It Matters
Capacity Building	Activities that strengthen an organization's ability to fulfill its mission and deliver programs effectively.	Funders want to invest in organizations that are growing and improving — capacity building shows long-term potential.
Organizational Development	The process of improving internal systems, leadership, and culture to enhance performance.	Helps your team work better together and adapt to change — key for sustainability.
Technical Assistance (TA)	Expert support provided to help organizations improve operations, strategy, or program delivery.	Shows funders you're committed to quality and open to learning.
Professional Development	Training and education for staff to build skills and knowledge.	Keeps your team sharp and ready to manage grant-funded work.
Infrastructure	The physical and digital systems that support your organization (e.g., office space, software, databases).	Funders assess whether you have the tools to deliver your project successfully.
Leadership Development	Programs or strategies that strengthen leadership skills within your organization.	Builds resilience and prepares your team for growth and change.
Succession Planning	Preparing for leadership transitions by identifying and training future leaders.	Ensures continuity and stability — funders want to know your organization can thrive long-term.
Strategic Planning	A structured process for setting goals, priorities, and action steps over time.	Shows funders you're focused, intentional, and ready to use their investment wisely.
Organizational Assessment	A review of your organization's strengths, weaknesses, and areas for improvement.	Helps you identify gaps and prepare for future funding opportunities.
Change Management	Strategies for guiding your organization through transitions or transformations.	Keeps your team aligned and focused during growth or restructuring.
Systems Thinking	Understanding how different parts of your organization interact and affect each other.	Helps you solve problems holistically and design stronger programs.

Term	Definition	Why It Matters
Knowledge Management	Capturing, organizing, and sharing institutional knowledge across your team.	Prevents loss of expertise and improves decision-making.
Governance	The structures and processes that guide decision-making and accountability in your organization.	Funders want to see strong governance as a sign of stability and integrity.
Organizational Culture	The values, behaviors, and norms that shape how your team works together.	A healthy culture supports collaboration, innovation, and retention — all important for grant success.

EQUITY, INCLUSION & COMMUNITY IMPACT TERMS

Term	Definition	Why It Matters
Equity	Ensuring fair access to opportunities and resources by addressing systemic barriers and disparities.	Funders prioritize equity to ensure their investments reach those most in need and promote justice.
Inclusion	Creating environments where all individuals feel welcomed, respected, and able to participate fully.	Inclusive programs are more effective and funders want to support organizations that reflect diverse communities.
Diversity	The presence of differences in race, ethnicity, gender, age, ability, and other identities within a group.	Funders value diverse leadership and programming — it leads to richer perspectives and better outcomes.
Cultural Competence	The ability to understand, communicate with, and effectively serve people from diverse backgrounds.	Builds trust with participants and ensures your program is relevant and respectful.
Language Access	Providing materials and services in multiple languages to ensure understanding and participation.	Funders want to see that your program is accessible to non-English speakers and multilingual communities.
Community-Led	Programs or initiatives designed and driven by the people they aim to serve.	Shows authentic engagement and ensures your work reflects real needs and priorities.
Grassroots	Community-based efforts that emerge from local needs and leadership.	Funders often support grassroots work for its authenticity and deep local impact.
Social Justice	Promoting fairness and equity in society by addressing systemic inequalities.	Aligns with many funders' missions and strengthens your case for support.
Underserved Population	Groups that have limited access to resources, services, or opportunities due to systemic barriers.	Funders prioritize reaching these populations to close gaps and promote equity.
Disaggregated Data	Data broken down by categories like race, gender, or income to reveal disparities.	Helps funders understand who is benefiting and where gaps remain.

Term	Definition	Why It Matters
Accessibility	Ensuring that people with disabilities can fully participate in your program.	Required by law and funders — shows commitment to inclusion.
Trauma-Informed	An approach that recognizes and responds to the impact of trauma on individuals and communities.	Creates safer, more effective programs — especially for vulnerable populations.
Community Impact	The measurable effect your program has on the people and places it serves.	Funders want to see real change — impact is the bottom line.
Place-Based	Programs focused on a specific geographic area or neighborhood.	Funders often target place-based initiatives to concentrate resources and deepen impact.
Participatory Evaluation	Involving community members in assessing a program's effectiveness.	Builds ownership, trust, and more accurate insights.
Equity Lens	A perspective that considers how decisions affect different groups, especially those historically marginalized.	Helps design fairer programs and aligns with funder values.

SUSTAINABILITY & LONG-TERM PLANNING TERMS

Term	Definition	Why It Matters
Sustainability	The ability of a program or organization to continue operating and delivering impact over time, even after grant funding ends.	Funders want to know their investment will have lasting value — sustainability shows long-term thinking.
Sustainability Plan	A written strategy that outlines how your program will continue after the grant ends, including future funding, partnerships, and resources.	Demonstrates that you've planned beyond the grant period and are committed to ongoing impact.
Diversified Funding	Having multiple sources of income (e.g., grants, donations, earned revenue) to support your organization.	Reduces risk and shows funders you're not overly dependent on one source.
Earned Income	Revenue generated through services, products, or fees (e.g., ticket sales, consulting).	Adds financial stability and can support mission-driven work.
Fundraising Strategy	A plan for raising money through campaigns, events, donor outreach, and other methods.	Shows funders you're proactive about sustaining your work.
Development Plan	A roadmap for building donor relationships and securing financial support.	Helps grow your funding base and support long-term goals.
Endowment	A permanent fund invested to generate income for your organization.	Provides long-term financial security and can support ongoing operations.
Capacity Building	Activities that strengthen your organization's systems, staff, and infrastructure.	Funders want to invest in organizations that are growing and improving.

Term	Definition	Why It Matters
Scalability	The ability of a program to expand or be replicated in other locations or contexts.	Shows funders that your model has potential for broader impact.
Replication	Repeating a successful program in a new setting or with a new population.	Demonstrates that your approach works and can be adapted.
Exit Strategy	A plan for responsibly winding down a program or transitioning it to another organization.	Shows funders you're prepared for all outcomes and committed to responsible stewardship.
Legacy Planning	Preparing for the long-term impact and continuation of your mission beyond current leadership or funding.	Builds trust and shows your organization is built to last.
Strategic Partnerships	Long-term collaborations that support sustainability through shared resources and aligned goals.	Strengthens your capacity and helps sustain programs over time.
Revenue Forecasting	Predicting future income based on trends, history, and strategy.	Helps you plan for sustainability and manage risk.
Organizational Resilience	The ability to adapt and thrive during challenges or changes.	Funders want to support organizations that can weather uncertainty and continue delivering impact.