

# Grant and Funding Glossary

<b>501(c)(3) Organization</b>	An organization that has been approved by the Internal Revenue Service (IRS) as being a tax-exempt, charitable organization. To be considered a 501(c)(3) organization, organizations must serve at least one acceptable purpose: charitable, educational, scientific, literary, religious, and/or preventing cruelty to children or animals.
<b>990-PF</b>	A public IRS form that provides financial data and information about a foundation. It often names the trustees and current and past officers, application information, and a list of grants awarded.
<b>Abstract</b>	The portion of a grant response that presents a clear and concise summary of the grant. It should briefly explain the need for the project and the impact the grant will have on the target population.
<b>Administrative/ Indirect Costs</b>	These are costs that will be incurred with a specific project but that do not directly serve the target population outlined by the project. Administrative costs typically serve the entire organization and include tasks and projects that are administrative in nature. Indirect costs are usually operational expenses of the organization receiving funds.
<b>Boilerplate</b>	A standardized but customizable text (also referred to as “copy”) that explains key information about a product, company, foundation, organization, etc. Boilerplate documents can be reused in a variety of contexts and ensure key features of the topic it covers.
<b>Budget Narrative</b>	A budget prepared for inclusion in a grant response that explains and justifies how estimated costs and the need for them were determined
<b>CARES Act</b>	The Coronavirus Aid, Relief, and Economic Security (CARES) Act, passed by Congress in March 2020, created the Elementary and Secondary School Emergency Relief (ESSER) Fund to assist K–12 schools with the coronavirus pandemic (see “ESSER” in glossary). ESSER funds are formula grants (see “Entitlement/Formula Grant” in glossary), and states receive funds on the same proportion as their Title I funding determined by the Elementary and Secondary Education Act (ESEA). States must distribute 90 percent of the funds to local education agencies and may reserve 10 percent of the funding allocation for emergency needs, as determined by the state, to respond to other coronavirus-related needs in the state.
<b>Competitive/ Discretionary Grant</b>	A competitive/discretionary grant is awarded not by formula (see “Entitlement/Formula Grant” in glossary), but rather based on a competitive process by which a committee selects which applicants best fit program priorities and will be awarded funding.
<b>Corporate Foundation</b>	A private foundation (see “Family Foundation” in glossary) that sources grant-making funds mainly from profit-making businesses. For examples, see our Foundation and Corporate Grants page <a href="#">here</a> .
<b>Direct Costs</b>	Costs that a company can easily and clearly identify as being tied to a specific activity, product, or project. Unlike indirect costs (see “Indirect Costs” in glossary), these funds go directly into serving a specific, often project-based, activity.

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<b>Entitlement/ Formula Grant</b>	The opposite of a competitive grant (see “Competitive/Discretionary Grant” in glossary). In an entitlement or formula grant, awarded fund amounts are determined by state or federal formulas, and schools/districts do not have to compete for this type of funding. It is automatically funneled from the state/Federal government. An example of this kind of grant is Title I.
<b>ESEA/ESSA</b>	The Federal government’s Elementary and Secondary Education Act (ESEA) enacted in 1965 was the nation’s first educational law and provided funding to emphasize equal opportunity for all students. The law was reauthorized as the Every Student Succeeds Act (ESSA) in 2015.
<b>ESSER</b>	The Elementary and Secondary School Emergency Relief (ESSER) Fund assists K–12 schools with the coronavirus pandemic (see “CARES Act” in glossary). These grants are awarded to state educational agencies to provide local educational agencies with emergency relief funds to address the impact of COVID-19 on elementary and secondary schools.
<b>Family Foundation</b>	A grant-making organization that is established, funded, and run by a single family’s assets. Family members determine the funds’ priorities and steward the foundation’s assets and philanthropic goals.
<b>Fiscal Agent</b>	An organization or person that acts on behalf of another party in performing various financial duties and responsibilities
<b>Grant Solicitation</b>	A publicly available document in which a funder announces its intentions to award grant funding to eligible organizations via a competitive grant process. These announcements can be known as solicitations.
<b>Grantee</b>	An organization that is/was awarded funds from an organization
<b>Indirect Costs</b>	Expenses that are not readily identified with the grant project but are often necessary for the general operation of the business, organization, or program. Indirect costs may also be called “overhead” or “administrative expenses” and are the opposite of direct costs (see “Direct Costs” in glossary).
<b>Letter of Support</b>	A testimonial that often accompanies a response to proposals in an organization’s application for grant funds. These external testimonials show that other organizations, people, or businesses believe in the applicant and that they should receive the grant funds from the funder.
<b>LOI</b>	A Letter of Intent (LOI) is a funder’s request for a letter from all potential applicants in which they share their “intent” or desire to apply for a specific funding category put forth by the foundation.
<b>MOU</b>	A Memorandum of Understanding (MOU) describes the broad terms of an agreement to which two or more parties agree.
<b>RFP/RFA</b>	An organization or business issues a Request for Proposal (RFP)/Request for Application (RFA) to invite applicants to propose a product or service to meet a specific need. The RFP/RFA outlines the need, eligibility, and project requirements.
<b>SMART Goals</b>	Goals that are Specific, Measurable, Achievable, Relevant, and Time-Based

Some material adapted from:  
[Grants.gov/Learn-Grants/Grant-Terminology.html#](https://www.grants.gov/learn-grants/grant-terminology.html#)  
[NCSL.org/ncsl-in-dc/standing-committees/education/cares-act-elementary-and-secondary-school-emergency-relief-fund](https://www.ncsl.org/ncsl-in-dc/standing-committees/education/cares-act-elementary-and-secondary-school-emergency-relief-fund)