



Fundraising Glossary of Terms

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Please [report missing terms and inaccuracies](#).

Advance

Donor database system used to store all [entity](#) and [prospect](#) records of the University of Colorado. Advance contains data about the giving and cultivation history of donors and alumni, as well as biographic and demographic data; also referred to as Advance Web.

Advancement Resources

A training vendor that provides research-based development training that helps participants build their organization's culture of philanthropy. Advancement Resources facilitates *The Art & Science of Donor Development*, which is for development professionals, as well as workshops for academic partners.

Affinity Rating

See [Research Affinity Rating](#).

Allocation

The unique identifier and specific details in [Advance](#) associated with a particular gift.

Annual Giving

The Annual Fund focuses on gifts made each year, usually in the form of a pledge. In this type of nonprofit fundraising, there usually is a regular set of donors to approach. Annual Giving uses direct mail and phone calls to solicit these donors.

Appeal Code

A postal mailing that solicits donors has an appeal code so that results of that mailing can be tracked and analyzed.

Ask

In development, an Ask is a solicitation of a gift. See also [Proposal](#).

Bequest

Gifts made through a will or trust that allow the donor to use assets now, and provide for charity upon death.

Board of Directors

The volunteer Board of Directors for the CU Foundation has fiduciary oversight, elects officers of the Foundation, and appoints the Chief Executive Officer (CEO).



Board of Trustees

The governing body of an organization. The CU Foundation is governed by a volunteer board of directors and trustees with business, civic and legal experience, a majority of whom are CU alumni. The Board of Trustees serves as advocates for the University and elects the members of the Board of Directors. The Board of Trustees also has a number of committees: Audit, Compensation, Finance, Governance, Investment Policy, Membership, and Development.

Campaign

Fundraising that is conducted to raise a specified major sum of money within a defined period of time. Campaigns encourage donors to give more than they would normally give and tap donors, especially corporations and foundations who would not otherwise give. A capital campaign normally begins with a private phase before launching a public appeal.

Campaign Remainder Amount (CRA)

As gifts and pledges are received from prospects, Prospect Managers should review the Campaign Remainder Amount, or CRA, for those prospects. If the CRA for a prospect needs updating, the Prospect Manager should notify Processing via Processing@cufund.org. The CRA is reflected in many forecasting reports, campaign reports, and the Prospect Stage Detail report. The CRA is reviewed and discussed frequently by Senior Leadership and the University, so it is important that this number is accurate at all times.

Charitable Gift Annuities

With as little as \$10,000, a donor can create a charitable gift annuity with the university. An annuity can be funded with gifts of cash, stock, or mutual funds. The annuity will pay the donor an income for the donor's life or the life of a loved one. This income is backed by the assets of the university. The donor receives a charitable income tax deduction, and may avoid capital gain on appreciated assets.

Charitable Remainder Trusts

Gifts of cash, stocks, mutual funds, and real estate can create a charitable remainder trust that pays the donor or someone the donor chooses an income for life or a term of years. The donor may defer capital gains taxes, receive a charitable income tax deduction, and decrease future estate taxes. Trusts can also be created in a will to benefit a loved one, and then the university. The minimum for Charitable Remainder Trusts is \$100,000.

Charitable Lead Trusts

Charitable lead trusts are "loans" in the form of a trust. The trust makes charitable payments to benefit CU for a term of years, with the remainder going back to the donor or his/her heirs. This sophisticated planning tool can significantly alleviate gift and estate tax.

CFR

See [Corporate and Foundation Relations](#).

Contact Report

In development, a contact report is created in [Advance](#) to document contact with a donor. The contact should be two-way communication that results in moving the [prospect](#) further along the [donor commitment continuum](#).



Corporate and Foundation Relations

The Office of CFR at the university facilitates mutually beneficial relationships between the University of Colorado system, its component universities, colleges, schools and units, and corporations, foundations, and other non-governmental, philanthropic organizations.

Current Fund

Funds that function similar to a checking account with the expectation that the monies will be disbursed within a few years. [Gift agreements](#) are not required for current funds, although these are sometimes created at the request of the donor. The minimum for a named fund is \$10,000.

Custodial Fund

[Pure](#) or [quasi](#) endowments owned by the University and held by the CU Foundation for investment.

Development Officer Goals

A set of target goals for minimum [proposal](#) amounts, minimum number of new proposals, number of [contacts](#) a month, and so on. Development officers should meet with their managers regularly to review performance as related to the target goals. Refer to the [Prospect Management](#) page on the intranet for details.

Distribution Fund

See [endowment](#); also called the Earnings fund.

Donor Authorization

Documentation that the donor acknowledges and approves the Foundation to deposit and process a gift on behalf of the University. Processing must have donor authorization before a gift is deposited/charged.

Donor Intent

Documentation that indicates a donor's wishes for the use of a gift. Processing may temporarily process a gift without donor intent in [suspense](#), as long as we have [donor authorization](#). Donor intent is often outlined in [gift agreements](#).

Donor Commitment Continuum

As described by [Advancement Resources](#), the Donor Commitment Continuum is a fundraising model that focuses on the donor's emotional commitment to the mission of the organization. The continuum ranges from low commitment (Silence) to high (Ownership).

Endowment

An endowment can generally be classified into two types: [Pure Endowment](#) and [Quasi Endowment](#). These endowments are invested into the [LTIP](#) for long-term growth. CUF sets up two funds for an endowment: the Principal Fund and the Distribution Fund (or Earnings fund) – distributions from the endowment may be spent to support University activities. If the fund is [underwater](#), no distributions will be allowed from the Principal fund. See also [Pure Endowment](#) and [Quasi Endowment](#).

Endowment Spending Policy (calculation of earnings)

Based on a CUF Board established rate of 4% or current market value or 4.5% of a 36-month rolling average. The amount is calculated and posted monthly. See [Policy section of CUF intranet](#).



Endowment Status Report (ESR)

The Foundation sends ESRs to donors/stewards annually after the end of the fiscal year (June 30th) to inform donors of the performance of the [LTIP](#), endowment growth, and the financial status of their [endowment](#).

Entity

In [Advance](#), entities are records of friends, alumni, foundations, corporations, parents, trustees, and faculty associated with the university. See also [Prospect](#).

GAD

The Gift Administration Department, or GAD, was formed to bring Accounting, Legal, Project Management, and Donor Relations together into one unit to assist development staff.

Gift Agreement

An agreement between the donor and the Foundation that documents the purpose, usage, and administration of a fund. See the [Gift Administration intranet page](#) for more information about the different types of agreements.

Grant

A non-repayable fund disbursed by one party (grant maker), to a recipient, often (but not always) a nonprofit entity, education institution, business or individual. Most grants are made to fund a specific project.

Grant Agreement

A document that outlines the terms and conditions of a grant award.

HGV

See [Historical Gift Value](#).

Historical Gift Value (HGV)

The cumulative total of gifts to an [endowment](#) fund. The HGV does not include outstanding gift commitments (pledges) nor market adjustments from the investment of the gifts.

IFAS

Integrated Financial and Administrative Solution; an accounting application the Foundation uses to manage funds on behalf of the University. This system is being replaced by Blackbaud.

Long Term Investment Pool (LTIP)

Primary investment vehicle for [endowment](#) gifts, similar to a diversified mutual fund. Endowments are invested into the LTIP and are subject to market gains and losses. Go to www.cufund.org for more information.

LTIP

See [Long Term Investment Pool](#).

Market Adjustments

The [endowment's](#) proportional share of [LTIP](#) gains and losses after the earnings [distribution](#).



Matching Gifts

When a donor makes a charitable contribution and his or her employer matches it.

Minimum

[Endowment](#) funds require at least \$25,000 either in gifts or pledges to be established. Named Current Funds require at least \$10,000 to be established. There are also higher levels for different types of named endowments. For example, an endowed chair requires \$1.5M as the minimum. The minimums are available on the CUF website at www.cufund.org. The [HGV](#) must meet the minimum in order for funds to be transferred to the University for any fund established after 2/1/2005.

Memorandum of Use (MOU)

An agreement between the University and the Foundation, typically used when a donor is deceased or for University established funds with multiple donors.

MOU

See [Memorandum of Use](#).

Planned Giving

Planned Giving consists of gifts, either current or deferred, that involve the donor's financial, estate and/or tax planning. Such gifts are often done with the assistance of the donor's attorney, and/or financial professional.

Principal Fund

See [endowment](#).

Proposal

In development, a proposal is a written or verbal gift solicitation to individuals, corporations, and foundations. A proposal documents a gift solicitation, or [Ask](#) for a [prospect](#). Proposals are entered into [Advance](#) by the Proposal Manager, who may or may not be the Prospect Manager.

Prospect

In [Advance](#), a prospect is a managed [entity](#) that has a capacity for donating to the university. Prospects can be in various [stages](#) of development.

Prospect Management Stages

[Prospects](#) move through four stages of development: Identification (prospect is qualified to have giving potential), Cultivation (prospect is being managed, through [contact](#) with the donor, toward making a gift), Solicitation (prospect is being [asked](#) for a gift via a [proposal](#)), Stewardship (in collaboration with the University, prospects are thanked and provided [status](#) and progress of their gift). The estimated timeline for moving through these stages is 18 months.

Prospect Next Step

All managed [prospects](#) should have a next step defined for them in [Advance](#). Prospect Next Steps are recorded using Tasks in Advance.



Pure Endowment

An [endowment](#) that is invested and held “in perpetuity” per the donor’s restriction. Only distributions from the endowment to the earnings fund may be spent to support University activities. See also [Quasi Endowment](#).

Quasi Endowment

An [endowment](#) that is intended to be maintained in perpetuity; however, under specific circumstances, defined by the donor, the principal may be invaded fully to meet the defined purpose. See also [Pure Endowment](#).

Reinvested Distributions

Current policy allows fund managers to reinvest unspent distributions (earnings fund balance) on a one-time or a recurring basis. These amounts are invested in the [LTIP](#) and are subject to market gains and losses. These amounts can be liquidated and are available for transfer to the University.

Research Affinity Rating

An [Advance](#) generated rating based on information stored in Advance. The rating defines a prospect according to six categories as defined by the [Donor Commitment Continuum](#).

Restricted Endowment

[Endowment](#) revenue can be restricted by donors in numerous ways. Professorships and endowed scholarship/fellowships are the most common restriction on large donations to an endowment. The restricted/unrestricted distinction focuses on the use of the funds.

Rev/Mod

In gift processing, a reversal or modification to a processed gift.

Revocable and Deferred Gifts

A commitment to make a gift in the future upon one’s death, such as a [bequest](#) by will or living trust.

Speed Type

An [allocation](#) number in the University format, which is used by University fund managers in [IFAS](#).

Stage

See [Prospect Management Stages](#).

Strategy

All managed [prospects](#) should have a strategy defined for them in [Advance](#). Strategies are recorded using Notes in Advance. Development Overall Strategy encompasses all efforts directed at a prospect; Development Team Member Strategy describes efforts by a team member focusing on a specific area (program or school) of the overall strategy.

Suspense Gifts

A gift that is processed with [donor authorization](#), but lacks the [donor intent](#) that specifies how to allocate the gift.

Steward

The [Endowment Status Report \(ESR\)](#) recipient, typically the gift agreement signer.



STIP

Short Term Investment Pool.

Testamentary Agreement

A document outlining the terms and conditions of a testamentary trust, which is a legal entity created as specified in a person's will. The trustee agrees to follow the wishes of the grantor, or trustor, to ensure the beneficiary receives the benefits of the trust. The CU Foundation acts as the trustee and ensures the University receives intended benefits as outlined by the agreement.

Transmittal Number (TN)

The TN provides a tracking identifier for a specific gift/pledge that has been received by the Foundation but not processed yet. A TN is created in [Advance](#) when a gift is received and before it is sent to Processing.

Tribute Gift

When a donation is made to honor a person, either one who is alive (in Honor of) or one who is deceased (in Memory of).

True Endowment

See [Pure Endowment](#).

Underwater

A fund is "underwater" if the market adjustments to the fund have caused the fund total principal market value to be less than the [Historical Gift Value](#).