

A Fund-Raising Glossary for The University of Alabama

If we missed a term that you think should be added, please let us know.

1834 Society A giving club for thousand-dollar donors to the The University of Alabama Medical Center.

Annual Gift Gifts donors make in response to yearly requests to support the institution's current operating needs. Annual Gifts are usually solicited through an organized program involving direct mail, organized telephone campaigns, and personal solicitation.

Appreciated Securities Stocks, mutual funds, or bonds that have increased in value over their acquisition value.

Ask The point in a solicitation at which the solicitor explicitly requests a gift; can refer to the solicitation as a whole.

Bequest A gift made through the donor's will, becoming effective on the death of the donor. (See also: Specific Bequest; Residuary Bequest)

Campaign Gift A gift that adds to the institution's long-term assets, usually designated for a facility or equipment (physical capital) or for addition to endowment funds (financial capital).

Capital Campaign An intensive organized fund-raising effort to secure major gifts and pledges toward specific capital needs or projects within a finite time period, usually one or more years.

Charitable Gift Annuity A simple contract under which a donor gives assets to a charity in exchange for the charity making fixed payments for life to one or two designated annuitants.

Charitable Remainder Annuity Trust A Charitable Remainder Trust in which the payments are fixed.

Charitable Remainder Trust A trust that makes payments to one or more designated income beneficiaries for a specified term (a number of years or for life), after which the amount remaining in the trust passes to the charity.

Charitable Remainder Unitrust A Charitable Remainder Trust in which the payments are a percentage of the trust's value. Payments vary depending on the increase or decrease of the trust's value.

Class Agents Alumni volunteers who take responsibility for soliciting gifts from the members of their graduating classes.

Community Foundation A foundation that limits its grant making to its local community. Community foundations generally receive their assets through contributions from donors in the community and are governed by boards representing local constituencies and interests.

Comprehensive Campaign An intensive, organized fund-raising effort similar to a capital campaign but encompassing a broader range of needs, often including annual giving as well as facilities and endowment. These campaigns usually have larger overall goals than capital campaigns, encompassing these various types of support and usually extend over a longer period of years.

Corporate Foundation A foundation that receives its funding from a parent corporation and whose grants reflect the interests and priorities of that corporation in their giving. The boards and staffs of corporate foundations typically include corporate officers.

Council for Advancement and Support of Education (CASE) An organization of professionals in the institutional advancement specialties, created in 1974 through the merger of the American Alumni Council (AAC) and the American College Public Relations Association (ACPRA).

Cultivation The process by which an institution develops a relationship with a prospective donor by providing information and involving the individual in the institution's planning and life, with the goal of engendering that person's commitment and support.

Deferred Gift A gift made by bequest, insurance or a life income arrangement or trust, with the institution's access to the principal being "deferred" until the death of the donor or another beneficiary, or some specific future date. The term "deferred gift" has for the most part been replaced by the boarder term "planned gift".

Development A process that includes the identification of institutional needs and priorities; the identification, cultivation, and involvement of prospective donors; the solicitation of gifts; and stewardship intended to continue the donor's interest and involvement. The term is generally used synonymously with fund raising today, but has been used more broadly in the past to mean the activities now encompassed by the term institutional advancement.

Direct Mail The solicitation of gifts with a mailed "package" usually including a letter, brochure, and response device designed to encourage the recipient to send a gift by return mail.

Donor Research The identification of potential donors, the gathering of background information on their interests and giving capacity, and the development of cultivation and solicitation strategies tailored specifically to the individual prospect.

Donor-driven A fund-raising campaign or program that is primarily responsive to the interest of prospective donors.

Endowment Fund A permanent fund, the aggregate of all The University of Alabama's endowed funds, the income from which is used to support The University of Alabama.

Family Foundation A foundation established and controlled by the members of a family as a vehicle for their philanthropy. Family foundations are typically small and their grants reflect the personal interests of family members.

Gift Club A technique for recognizing donors by granting them membership in various club levels according to the size of their annual or capital gift.

Gift in Kind A gift of physical property intended for use by the institution in its educational or research program (for example; books, works of art, boats).

Independent Foundation A foundation that makes grants in predetermined areas of interest and priority and uses formal procedures for assessing funding proposals. Independent foundations are typically governed by boards more diverse than those of family foundations, usually have larger assets and often employ professional staff.

Josephine Louise Newcomb Society A giving club for million-dollar donors to Newcomb College.

Kickoff The point at which a campaign and its goal are made public. The kickoff usually includes an announcement of the nucleus fund total and it usually marked by a highly visible public event.

Lead Trust A trust that makes payments to a charity for a specified term and then goes to designated private beneficiaries. Payments may either be fixed (annuity trust) or variable (unitrust).

Life Income Gift A gift made to the institution with the provision that the donor and/or other beneficiaries receive income for their lives.

Life Income Plan A vehicle under which a gift is made to charity in exchange for income payments. Life income plans offered by The University of Alabama include charitable gift annuities, charitable remainder trusts, and the pooled income fund.

LYBUNT An acronym used in annual giving programs to describe individuals who gave "last year, but unfortunately not this (year)".

Major Gift A gift larger than an annual gift often paid in installments over a period of years and usually designated for a capital purpose. The dollar level at which a gift is considered "major" depends upon the needs and fund-raising history of the institution.

Mega-Campaign A term coined in the 1980's to describe college and university comprehensive campaigns with very large goals, typically in the hundreds of millions of dollars and in some cases, more than \$1 billion.

Need-driven A fund-raising campaign or program whose primary focus is to raise gifts for specific, predetermined needs of the institution.

Nucleus Fund The total of gifts and pledges made during the initial "quiet period" of a campaign, after the institutional internal approval of a campaign, but before the public announcement or kickoff. A nucleus fund totaling 30-40% of the campaign goal is generally recommended as the minimum necessary for campaign success.

Operating Foundation A foundation that develops, supports, and manages its own programs or activities and generally does not accept outside proposals.

Paul The University of Alabama Society A giving club of million-dollar donors to The University of Alabama University

Philanthropy A tradition in which individuals contribute for reasons of altruism, their time and financial resources to nonprofit institutions, with the goal of improving society.

Phonathon An organized program of telephoning, either by volunteer callers or paid professionals, to solicit gifts from a large number of donors. Phonathons are commonly used in annual giving programs.

Planned Gift A gift made in the context of the donor's total financial and estate planning. Planned gifts often involve a bequest, trust or annuity arrangement and usually provide tax benefits or other financial advantages to the donor as well as benefiting the institution

Planned Giving A means of achieving philanthropic goals through financial planning.

Pooled Income Fund A trust under which gifts are pooled and invested together, and income from the fund is distributed to the fund's beneficiaries according to their share of the fund. When the income interests end, the beneficiaries' share of the fund is transferred to The University of Alabama

Premium A token given to donors (such as a decal, a pin, or a coffee mug with the institutional seal), either with a direct mail solicitation (front-end premium) or after a gift has been received (back-end premium.)

Proposal A formal, written solicitation for a gift or grant, typically used when approaching corporate or foundation donors.

Prospect An individual or organization confirmed as having the capacity to make a gift to the institution and some existing or potential interest in doing so.

Prospect Management and Tracking An ongoing process including the matching of prospect interest to institutional needs, the development of cultivation and solicitation strategies, the assignment of responsibility for the prospect to staff and volunteers, and the systematic monitoring of activity undertaken with the prospect.

Real Estate Marketable real estate can be donated to The University of Alabama, either outright or to fund a charitable remainder unitrust, provided certain conditions are met.

Residuary Bequest which is left from an estate after payment of debts, expenses, and all other bequests.

Restricted Money that is restricted to a particular use by the University.

Screening or Rating A technique whereby staff and volunteers review lists of potential donors and offer judgments based on personal knowledge, as to the prospects' ability and inclination to support the institution. Many institutions now used computerized screening programs, which rely primarily on demographic data to tentatively rate prospect' financial capacity.

Solicitation The process of asking a donor to make a gift. The solicitation visit, or "ask" includes various elements of communication or conversation leading up to or following after the "ask" itself.

Specific Bequest of a particular item.

Sponsored Research Specific research studies undertaken by faculty or staff and paid for by a donor (or "sponsor") who often has an interest in the results.

Stewardship Activities designed to keep donors informed and involved regarding the use and benefits of their past gifts. Stewardship is often seen as an aspect of cultivation for donors' future support. The term also is used more broadly to include the institution's careful management of the gift and the activities it supports in order to keep faith with the donor's intentions and confidence.

Suspect An individual or organization identified as a potential donor for the institution, but whose financial capacity or interest remains undetermined.

SYBUNT An acronym used in annual giving programs to describe individuals who give "some years, but unfortunately not his (year)."

Ultimate Gift A term coined by David Dunlop to describe the largest gift of which a donor is ultimately capable. Ultimate gifts are often, but not always, given through a planned giving device such as a trust or bequest.

William Preston Johnston Society A giving club for donors who have The University of Alabama in their wills.