



## Funding Terms Definitions

**Activity:** What you are doing

**Budget:** Detailed breakdown of what everything will cost. Should include income and expenditure

**Capital:** One of purchase of items of equipment or things that you could sell in the future e.g. computers, buildings.

**Contract:** A legally recognised and enforceable agreement between the purchaser or commissioner and the provider about the specification for the service to be delivered and the arrangements for delivering and paying for it. Also included are arrangements for monitoring and terminating the contract. This is not a grant and is therefore subject to VAT.

**Criteria:** Details the funder's priorities. May relate to geography or needs, or both

**Expenditure:** Money that you spend

**Full Cost Recovery:** The apportionment of costs to ensure that you secure funding for all your costs, including the direct costs of projects and all your overheads.

**Fundraising Strategy:** a plan that uses your business/development plan to identify the funds needed to meet your aims and objectives, considering how you will raise the money, what resources you have that can be used and who will do what and how.

**Grant:** This is a gift or donation. The donor can attach terms for how the money can be spent. Any surplus must observe those conditions unless otherwise specified by the donor.

**Income:** Money that comes in to your organisation

**In Kind:** Non-financial support to organisations provided without cost e.g. staff time, use of facilities and services, donated goods

**Match Funding:** The money or 'in-kind' support that a funder may ask you to find, rather than pay the whole amount.

**Outcomes:** The difference that the activity will make for its beneficiaries, area or environment etc.

**Outputs:** The measurable activities that help you achieve your outcome

**Procurement:** The process of buying goods and services, from initial advertising through to the appropriate contracting agreements.

**Reserves:** A pot of money that is available to cover gaps in funding – cash flow and meeting costs like redundancy payments to staff if the organisation were to close.

**Revenue:** Ongoing and repeat costs of the organisation e.g. telephone bills, stationery

**Core Costs:** The costs of running an activity, such as management, utilities.

**Service Level Agreement:** This is not a legal term and is a document that defines the understandings of both parties (public authority and charity) about the service to be provided. It may be a contract as long as both parties intend it to be one and it fulfils the legal criteria for a contract. SLA s are usually for a three-year period.

**Tender:** A written bid outlining a supplier's plan and capacity to deliver a service. It will demonstrate the ability to meet the service specifications