

# Foundation Terms

- **Foundation:** An organization created from designated funds from which the income is distributed as grants to not-for-profit organizations or, in some cases, to people.
- **Community Foundation:** An organization that makes grants for charitable purposes in a specific community or region. Funds are usually derived from many donors and held in an endowment independently administered. Income earned by the endowment is then used to make grants.
- **Company-Sponsored Foundation:** A private foundation whose grant funds are derived primarily from the contributions of a profit-making business organization.
- **Family Foundation:** An independent private foundation whose funds are derived from members of a single family.
- **Independent Foundation:** A grant making organization usually classified by the IRS as a private foundation - may also be known as: family foundations, general purpose foundations, special purpose foundations, and private non-operating foundations.
- **Operating Foundation:** An organization classified by the IRS as a private foundation whose primary purpose is to conduct research, social welfare, or other programs.
- **Private Foundation:** A non-governmental, non-profit organization with funds and program managed by its own trustees or directors that was established to maintain or aid social, educational, religious or other charitable activities serving the common welfare, primarily through the making of grants.
- **Perpetuity:** Endless time; eternity; the quality or state of being perpetual.
- **Endowment:** Funds intended to be kept permanently and invested to provide income for continued support of an organization.

Information taken from "Glossary of Philanthropic Terms," [www.learningtogive.org](http://www.learningtogive.org). Select the "Browse Resources" button, then click on "Glossary" in the left-hand column.

