



CATALYSTS^x

Nonprofit Terminology

Articles of Incorporation: This is the document that creates the corporation. It needs to meet both the provincial requirements for a nonprofit corporation as well as federal tax law requirements to qualify as a nonprofit organization if you are going to apply for that.

Budget: Your budget is your financial plan. It lays out how you expect to receive and spend money over a specific period of time, usually one year. It should be developed in tandem with your fundraising plan and is part of your overall business plan.

Business plan: This plan outlines your activities, operations, and funding model. In addition to guiding your organization.

Fundraising plan: Your fundraising plan is the part of your business plan that outlines your fundraising activities, which may include events, individual contributions, contracts and grants.

Bylaws: Your Bylaws are the rules of operation for your organization. Rules on how boards are selected and make decisions are in the Bylaws.

Charity: Officially, this is a nonprofit that is registered to fundraise (or solicit donations).

Organizing Plan: An organizing plan is high-level information about your idea and how you plan to implement it. It is an important tool in deciding whether or not to start a nonprofit.

Nonprofit (or nonprofit corporation): An organization created for a public benefit without shareholders or a profit motive. Nonprofit status is determined under provincial law.

Social Purpose Corporation: A social purpose corporation is a for-profit corporation formed to promote at least one general social purpose. It may promote positive (or minimize adverse) short-term or long-term effects of the corporation's activities related to (1) employees, suppliers, or customers; (2) the local, provincial, national, or world community; or (3) the environment.

Strategic plan: A document developed by the board that outlines the organization's strategy over several years. A strategic plan sets out the organization's goals and the activities and strategies it will use to accomplish those goals.

Tax-exempt organization: A nonprofit corporation that has been approved by the Canada Revenue Agency. Tax-exempt status exempts a nonprofit from paying *federal* corporate income tax and allows contributions given to the organization to be tax deductible to the donors. Tax-exempt organizations still have to pay federal employment taxes.

Work plan: A detailed planning document that lists specific activities to accomplish in a particular time period to support your mission and strategy. It typically includes who is responsible for specific tasks and due dates.