



Board Roles & Responsibilities Key Terminology Glossary



A	
Accounts Receivable	Debts due from customers from sales of products and services report as a current asset.
Accrual	In finance, the adding together of interest or different investments over a period of time.
Adjourn	To break off a meeting with the intention of resuming later.
Adverse	An audit opinion that the financial statements as a whole are not in conformity with U.S. GAAP.
Allocation	An amount or portion of a resource assigned to a particular recipient.
Asset	Property owned by a person or company, regarded as having value and available to meet debts or commitments.
Audit	An official inspect of an individual or organization's accounts.
B	
Bind	A common legal phrase indicating an agreement has been made and certain actions are now either required or prohibited.
Bylaw	Rules made by a company or organization to regulate the actions of its members.
C	
Cash Reserves	Highly liquid investment.
Committee of the Board	A committee made up exclusively of directors, which may be delegated one or more powers of the board.
Committee of the Corporation	A committee which may include both directors and non-directors.
Community Assessment	<p>A regular assessment of the Community Action Agency's overall mission, desired impact(s) and program structure which takes into account:</p> <ul style="list-style-type: none"> • The needs of the community and its residents; • The relationship, or context, of the activities supported by the CAA to other anti-poverty and community development services in the community; and • The extent to which the activities contribute to the accomplishment of one or more of the national ROMA goals
Corporation	A company or group of people authorized to act as a single entity and recognized as such in law.
Cost Center	Where costs may be charged for accounting purposes.



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CSBG	Community Services Block Grant: Provides funds to alleviate the causes and conditions of poverty in communities.
D	
Decisions without In-Person Meetings	The best practice is for board and committee members to be physically present for board meetings. In authorizing electronic meetings, it is required that each participant be able to communicate synchronously (at the same time) with the group.
De Minimis	Generally used to describe something that is too small or insignificant to be considered, trivial.
Depreciation	A reduction in the value of an asset with the passage of time.
E	
Entire Board	The exact number of board members set forth in the bylaws or, if the bylaws provide for a range of directors, the number of board members within such range who were actually elected at the last election or directors.
Entity	A thing with distinct and independent existence. A building, person, company, organization, group, or partnership.
Enumerate	Mention one-by-one.
Equity	In accounting, the difference between the value of the assets and the value of the liabilities of something owned.
Ex-Officio	By virtue of one's position or status.
F	
FASB	Financial Accounting Standards Board: A nongovernment private organization that sets GAAP in the U.S. for profit making entities and non-profit nongovernmental organizations.
Fiduciary	A person who holds a legal or ethical relationship of trust with one or more other parties.
Financial Statement	A formal record of the financial activities and position of a business, person, or organization.
Fiscal Year	A year as reckoned for taxing or accounting purposes.
Fraud	Wrongful or criminal deception intended to result in financial or personal gain.
G	
GAAP	Generally Accepted Accounting Principles: Standard U.S. accounting guidelines.
GAAS	Generally Accepted Auditing Standards: Standard U.S. auditing guidelines.



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Good Faith	A report in which the whistleblower reasonably believes to be true, and reasonably believes to constitute illegal conduct, fraud, or a violation of a CAA's policy.
H	
I	
IM	Information Memorandum
Independent Director	A Director who meets specific employment and compensation criteria.
Internal Control	Policies and Procedures designed to provide reasonable assurance that specific entity objectives will be achieved.
IRS	Internal Revenue Service: The United States tax collection agency which administers the Internal Revenue Code enacted by Congress.
J	
K	
Key Person	Persons who meet the \$150,000 Compensation or Responsibility Tests on Form 990 with the Internal Revenue Service.
L	
Liability	The state of being responsible for something, especially by law.
Liquidity	The availability of cash or ability to obtain it quickly. Debt paying ability.
M	
Motions	Informs the board that it needs to pay close attention to the proceedings and focus on the upcoming vote. The person making the motion should word it simply.
N	
Neglect	Failure to care for someone or something properly.
Net Assets	The non-profit term for equity or net worth.
NGO	Non-Government Organization. Highly diverse groups of organizations engaged in wide range of activities.
Notice	Informs all board members - and the general public - of the date, time, location, and specific topics under consideration. Without proper notice, all actions taken at a board meeting could be deemed invalid.
O	
Overhead	In business, refers to an ongoing expense of operating a business.
P	



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Party	A person, group, or company forming one side in an agreement or dispute.
Private CSBG-Eligible Entity	Nonprofit 501(c) (3) organizations serving local communities that are eligible to receive Community Services Block Grant funding.
Proceedings	An event or a series of activities involving a formal or set procedure.
Procurement	The act of obtaining or purchasing something such as business supplies.
Proxy	The authority to represent someone else.
Public CSBG-Eligible Entity	Units of local governmental entities, such as a county or city government, eligible to receive Community Services Block Grant funding.
Prudent	Acting with or showing care for the future.
Q	
Quorum	A minimum number of members that must be present at a meeting to make the proceedings of that meeting valid.
R	
Related Party	<ul style="list-style-type: none"> • Any director, officer, or key employee of the corporation or any affiliate of the corporation. • Any relative of any director, officer, or key employee of the corporation nor any affiliate of the corporation. • Any entity in which any individual defined above has a 35% or greater ownership or beneficial interest OR an indirect ownership interest above 5% if a partnership or professional corporation.
Related Party Transaction	Any transaction, agreement or any other arrangement in which a related party has a financial interest and in which the corporation is a participant, unless the transaction is determined by the board or board committee to be fair, reasonable, and in the best interest of the corporation.
Relative	The spouse, domestic partner, child, grandchild, or sibling of an individual. Or the spouse, domestic partner of a child, grandchild, or sibling of the individual.
Retaliation	Harassment, punitive employment actions, termination, or threats of violence for filing a complaint.
ROMA	Results Oriented Management and Accountability: The Community Action Network's model of good performance management.



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	Rules of Order	State corporate laws do not mandate that boards follow “Roberts Rules of Order.” The board should take a more "working group" approach when permissible.
S		
	Sanction	A threatened penalty for disobeying a law or rule.
	Strategic Planning	An organization's process of defining its strategy or direction and control mechanisms for guiding the implementation of the strategy.
T		
	Tripartite	Divided into three parts.
U		
V		
W		
X		
Y		
Z		
#		
	501©	A non-profit organization in the federal law of the United States according to 26 U.S.C. § 501 and is one of 29 types of nonprofit organizations exempt from some federal income taxes.
	501©3	A corporation, trust, unincorporated association, or other type of organization exempt from federal income tax under section 501©3 of Title 26 of the United States Code.
	990	A U.S. Internal Revenue Service form that provides the public with financial information about a non-profit organization.