

JARGON BUSTER

Added Value

The value added by your activity. A chef 'adds value' to food by cooking it, which is why we are prepared to pay more for the cooked meal than the raw ingredients. The phrase has become fashionable in the voluntary sector, though it's often used rather loosely to indicate that community sector organisations have a 'distinctive' or specialist contribution to make which sets them apart from public or private sector organisations.

Additionality

a way of measuring the added benefits of a project which highlights the changes brought about which wouldn't have occurred if the project hadn't taken place.

Aims and Objectives

Aims: the long-lasting goals of your group Objectives: how you will achieve those aims

Assets

Fixed assets are things like equipment or property that you would have to sell in order to get any money. Inexpensive bits of capital equipment (like staplers or waste-paper bins) aren't usually counted as fixed assets. Current assets are money in the bank and any money owed to you.

Asset-Based Development

The use of an asset to acquire or maintain income. The term is used to describe a form of community-based development built around an asset that generates independent income. Commonly the asset is a building and income could be generated from renting out space. Alternatively, the asset is a permanent financial endowment generating interest.

Audit

Audit – to examine, verify, or correct the financial accounts. Not all accounts are required to be audited – this will depend on your group's legal structure, gross income, whether or not you are a registered charity and what is stated in your governing document (constitution). The law makes a distinction between accounts that have been professionally 'audited' (by a professional auditor) and those that have been 'independently examined' (by an independent examiner). Both Company and Charity law provide rules about when and how an audit must be conducted and what an auditor must do.

Auditor

An auditor is not the person who 'does the books' – this is usually your group's Treasurer. An audit is a thorough examination/verification of financial/accounting records and supporting documents by a professional (a registered auditor who by legal definition is a person/firm capable of conducting an audit under the provisions of section 25 of the Companies Act 1989, i.e. a member of one of the six Consultative Committee of Accountancy Bodies (CCAB) who has "registered" as an auditor).

Budget

A budget is a financial plan showing income (money coming in) and expenditure (money going out) for the year ahead

Business Plan

a written projection, often for 1-5 years, for a project or programme of work. Sometimes only related to income and expenditure, but often set within an organisation's wider framework.

Capacity Building

A wide range of support, techniques and initiatives which aim to build the capacity of individuals or organisations within communities to effectively contribute to the local community.

Capital Costs

Capital costs are the costs of buying equipment, furnishings, premises or other items that cost substantial amounts and will last for several years. For example, costs incurred in purchasing computers, a minibus or new premises are all capital costs. All other costs are revenue costs.

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Community Development

The development of communal activity to improve quality of life in a particular geographical area.

Community Regeneration

The process of tackling poverty, deprivation and social exclusion within a particular geographical area or within a particular client group.

Community Planning

A process through which local authorities come together with other organisations to plan, provide for and promote the future wellbeing of the area. The partners should work together to identify the need and plan for the delivery of services and resources. The Community Plan builds on a vision for the future of the area and how the public agencies will work in partnership to achieve the vision. Community planning won't work without the involvement of the community sector as a vital partner.

Compact

"a written agreement which defines and manages the relationship between the voluntary sector and one or more public sector bodies"

Constitution

A group's constitution is their governing document which sets out the rules on how the group/organisation should operate – their aims, purpose(s), powers – and a framework within which to work. If a group becomes incorporated (as a Company Ltd by Guarantee or a Community Interest Company for example) their constitution is extended and referred to as the Memorandum & Articles.

Contingency Costs

money in budget for unforeseen expenditure.

Core Funding

An organisation's central pot of money to cover running costs and overheads

Evaluation

Assessment of a project or programme to identify the extent to which objectives have been achieved, how efficiently they have been achieved, and whether there are any lessons to be gained for the future.

Full cost Recovery

The term 'full cost recovery' means securing funding for – or 'recovering' – **all** your organisation's costs, including the direct costs of your projects and all your overheads. The full costs of your project are all the costs directly relating to the project including the project's share of the overheads.

Governance

Refers to the overall guidance, direction and supervision of the organisation - making sure that it acts in line with its constitution and legal identity. In the voluntary sector it is most often used in connection with the role of committees or boards.

Impacts

Broader or longer-term effects (intended, unintended, positive and negative) of a project's or organisation's outputs, outcomes and activities. Impact is less tangible and therefore harder to measure than inputs and outputs.

Indicators

Specific data that can be measured to determine whether an activity, project or organisation has met a particular outcome.

Inputs

The resources that contribute to a programme or activity including income, staff, volunteers and equipment.

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Interface

The term interface comes from chemistry (where it means a surface forming a common boundary between two things) and from computer science (hardware and associated circuitry that links one device with another eg a computer with a printer). It has more recently been adopted to refer to a strategic and operational structure connecting and promoting common interests of agencies/bodies/partnerships working together. For example, Community Planning Partnerships, Volunteer Centres, Councils for Voluntary Service and Local Social Economy Partnerships are currently working towards establishing a single interface for the third sector by 2011.

Localism

Localism: a structured focus on addressing geographically defined interests and requirements.

Match Funding

money given on condition that other funds (of equal or greater amount) are raised to make up the overall project total. Match funding can be your group's own funds, other grants or earned income. It can also take into account funding 'in kind' such as volunteers' time

Milestone

A well defined and significant step towards achieving a target, output, outcome or impact, allowing a group to track progress.

Monitoring

ongoing review of progress with a project/ programme of work, often required at specified periods by funders.

Not-for-Profit

Describes an organisation that has been established to reinvest any financial surpluses back into achieving the objectives of the organisation. Often used when referring to the voluntary or community sector.

Outputs

Products, services or facilities that result from an organisation's or project's activities. Outputs can include services you offer, products you sell or give away (for example, booklets), and facilities you provide. They are what you "put out" as a result of your activity. The people you help use these outputs to achieve changes they want to achieve for themselves. Your outputs should relate to your objectives.

Outcomes

Outcomes are all the things that happen because of the project's or organisation's services, facilities or products - the changes, benefits, learning or other effects that result from what the project or organisation makes, offers or provides. When people use a project or organisation, they expect it will make some kind of **difference** to them. Outcomes are all the changes that **actually** occur when you carry out activities to achieve the aims. They may not be the same as the outcomes you originally planned!

Overhead Costs

All organisations, from all sectors, have central or core costs which are their overheads. These include:- financial and management costs; research & development costs; rental of premises etc.

Procurement

Procurement is the whole process of buying goods and services, from initial advertising through to appropriate contracting arrangements.

Private Sector Commercial businesses

Project

A piece of work with time and resource limits, working towards pre-defined aims and objectives.

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Public Sector

Refers to Government (national, regional and local) services — economic and administrative. Public Agencies are Government agencies and include local authority and agencies such as Scottish Natural Heritage and the NHS.

Regeneration

A catch-all term referring to the development of the social & economic life and the physical environment of a particular community. It is worth observing that regeneration once referred to the refurbishing of the built environment (landscaping communal green space, sprucing up tower blocks): increasingly it refers more broadly to physical, economic and social renewal.

Revenue Costs

Revenue costs are the costs incurred in the day-to-day running of the organisation and its projects. Revenue costs can be overheads or direct project costs. These include items such as stationery, rent, heat and lighting, phone bills and materials.

Single Outcome Agreement

A national performance framework focusing on HOW key targets will be achieved. The Scottish Government has set out national outcomes covering areas such as education, services for the young and older people, health and community safety. Each local authority area of Scotland has agreed to draw up a SOA setting out how they will contribute to achieving these.

Social Enterprise

The term **social enterprise** can be used as both a verb or a noun ie it can refer to either a type of activity or to an organisation practising that activity. All kinds of community groups fit into the many definitions of social enterprise but there are certain things that they all have in common:-

- trading or generating income rather than relying on grants to maintain the business.
- driven by a social purpose rather than for the benefit of shareholders.

Social Economy

The social economy spans economic activity in the community (voluntary sector) and includes social enterprise. The social economy usually develops because of a need to find new and innovative solutions to issues (whether they be socially, economically or environmentally based) and to satisfy the needs of members and users which have been ignored or inadequately fulfilled by the private or public sectors. By using solutions to achieve not-for-profit aims, the social economy has a distinct and valuable role to play in helping create a strong, sustainable, prosperous and inclusive society.

Social Firm

One type of social enterprise; a business set up specifically to create employment for disadvantaged people

Stakeholder

An individual or organisation that has an active interest (a stake) in a particular organisation or issue. For example, funders, members, contractors, purchasers trustees, beneficiaries, volunteers and paid staff are all stakeholders in a voluntary organisation.

Sustainable development

Sustainable development is defined as promoting economic development in such a way as to protect and improve our environment, now and for future generations (Scottish Executive).

Target

A defined level of achievement which a project or organisation sets itself to achieve in a specific period of time.

Third Sector

Otherwise known as community or voluntary sector refers to community groups, registered charities, community interest companies, social firms, social enterprises etc that are active in a wide variety of services and activities—everything from running a community shop to your local village hall

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