Non-Profit Organization Vocabulary

**for-profit organization**— A term describing the Internal Revenue Service’s designation of an organization whose income is used for the benefit or private gain of stockholders, directors, or any other persons with an interest in the company; and is subject to all the tax laws for businesses and industries.

**nonprofit organization**— A term describing the Internal Revenue Service’s designation of an organization whose income is not used for the benefit or private gain of stockholders, directors, or any other persons with an interest in the company; separate tax treatment exists based on whether it is charitable or not.

**501(c)(3)**— The most common type of nonprofit organization. Donations to them are tax-deductible for the donors. It is exempt from federal income tax if it has one these purposes: charitable, religious, educational, scientific, literary, testing for public safety, fosters amateur sports competition, prevents cruelty to children or animals.

**philanthropy**— Private action for public good

**common (public) good**— Working together with other members for the greater benefit of all; promotes the welfare of the (public) community

**foundation**— An organization created from donated funds from which the income is distributed as grants for not-for-profit organizations.

**volunteerism**— The act of performing a service or good work for others without pay