

APPENDIX “B”- Common CAA Operational Definitions

These definitions aid in understanding the different terminology that accompany operating a business as unique as a not-for-profit community action agency. These words and phrases are found within any standard of the CSBG monitoring toolkit (Parts One through Four).

1. **501(C)(3)**- Refers to public charities, private foundations, and Not-For-Profit organizations as defined by the IRS to allow federal tax exemption.
2. **Abuse**- Behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary operational practice given the facts and circumstances. This includes the misuse of authority or position for personal gain or for the benefit of another.
3. **Accountability**- acknowledgement and assumption of responsibility for policies and decisions, including the obligation to be answerable for resulting consequences.
4. **Analysis**- Examination/review and evaluation of data by breaking the information down into parts. The purpose is for problem solving and decision making.
5. **Annual Agency Report**- A organization published report for the stakeholders and the community.
6. **Audit**- Independent examination of the organizations finances to determine if the financial statements are accurate.
7. **Auditor**- The independent company of certified public accountants who is responsible for conducting the audit. This individual or company writes the audit report.
8. **Auditors’ Opinion**- A summary of the findings of the audit report by the auditor
9. **Balance Sheet**- A snapshot, providing the most comprehensive picture of an organization’s financial situation (also known as a Statement of Financial Position)
10. **Benchmarks**- Performance data that are used for comparative purposes.
11. **Budget**- Budgets are your fiscal plans. They are the commitment of resources necessary for the organization to operate.
12. **Claim**- The submission to IHADA for reimbursement of expenses towards a specific program.
13. **Code of Conduct**- The formal or informal ethical standards expected of every governing board member, agency employee or volunteer.
14. **Community**- Geographic community or territory the agency serves.
15. **Community Action Plan**- An integral part of the CSBG Application that CAAs submit to the State Office as a condition to receive funding.
16. **Community-Level Initiative**- Any project, program, coalition, group, committed entities, or other group or activity that has a clearly defined purpose or goal to create measurable community-level change in a specific community (e.g., neighborhood, school district, service area) over many years.
17. **Community Needs Assessment**- Establishes a profile of a community, noting both needs as well as community resources.
18. **Community Service Block Grant Award Agreement**- The annual contract between the State Lead Agency and the Community Action Agency.
19. **Conflict of Interest**- A situation in which the personal benefit of an individual is incompatible with that of the organization.
20. **Consent Agenda**- A component of the governing board meeting agenda that groups routine items and resolutions as one agenda item; does not require board discussion prior to the vote.
21. **Consultant**- An expert who provides professional advice or services.
22. **Cyber Email Phishing**- A generic email that targets many individuals by attempting to get someone to click a link or download something. The goal is to harvest credentials or get malware installed on a machine or in your system.

23. **Cyber Incident Response Plan**- The framework to address cyber-attack incidents.
24. **Cyber Physical Intrusion**- Attempting to gain unauthorized physical access to a facility via social engineering.
25. **Cyber Social Engineering**- Non-technical method of intrusion hackers use that relies heavily on human interaction. It involves tricking people into breaking normal agency protocols.
26. **Customer**- Those who must be satisfied in order for the organization to achieve results. The person whose life is changed through the organizations work.
27. **Depreciation**- An allowance for wear or age made to the value of a fixed asset, allocating its cost over its estimated useful life.
28. **Due Diligence**- An expectation that an individual exercises reasonable care and follows business judgement when making decisions.
29. **Duty of Care**- The requirement that a governing board member be reasonably informed about the organization's activities, participates in decisions, as does so in good faith acting as a reasonable person in similar circumstances.
30. **Duty of Loyalty**- A requirement that a governing board member remain faithful and loyal to the organization and avoid conflicts of interest.
31. **Duty of Obedience**- A requirement that a governing board member remain obedient to the central purpose of the organization and respect all laws and legal regulations.
32. **Employee Handbook**- The document that is provided to employees documenting general expectations and benefits (also known as Personnel Policy Manual)
33. **Financial Statements**- – Financial statements include the statement of financial position (balance sheet), the statement of cash flow and the statement of activities (revenue and expenses).
34. **Financial Ratio**- Key indicators that offer an organization a way to evaluate financial performance and track trends.
35. **Fraud**- Intentional deception (misrepresentation) by someone to gain something of value.
36. **Fully Executed**- The legal term describing a document that is signed and dated by the appropriate individuals.
37. **Fundraising**- A wide variety of activities that help generate donations (unrestricted funds) for the organization.
38. **Grant Agreement**- legal instrument or contract between the pass-through entity (IHCDA) and the non-Federal entity (CAA).
39. **Governance**- The legal authority of the governing board to establish policies that will affect the work of the organization and accountability for the outcome of those decisions.
40. **Governing Board**- the agency Board of Directors or the tripartite board/advisory body, who is tasked with establishing agency policy and decisions pertaining to the organizations long term objectives.
41. **Governing Board Agenda**- Outlines what the governing board is planning to accomplish at a meeting. The board minutes will define what actually happened (See Governing Board Minutes).
42. **Governing Board Bylaws**- The rules adopted by the organization which provide a framework for how the governing board will operate.
43. **Governing Board Executive Committee**- A committee that has specific powers, outlined in the Bylaws, which allows it to act on the board's behalf when a full board meeting is not possible or necessary.
44. **Governing Board Executive Session**- A meeting of the board in which only board members and individuals specifically invited by the board are present; governed by rules of confidentiality.
45. **Governing Board Member**- An elected individual to the governing board who represents a particular sector of the tripartite board.

- a. **Absent Member-** A member who has provided notification that they will not attend a board meeting.
 - b. **Seated Member-** An individual who has been voted onto the governing board by a majority of the full board membership.
 - c. **Unexcused Member-** A member who has not provided any notification that they will not attend a board meeting.
46. **Governing Board Minutes-** The official and legal record of the board and committee meetings. Defines what is recognized as occurring during the meeting.
 47. **Governing Board Motion-** Considered “actions” of the governing board.
 48. **Grant Funding-** Provided to the organization through a foundation or government source for a specific purpose.
 49. **Income Statement-** Reports the organization’s annual revenue and expenses (also known as Statement of Activities)
 50. **Input-** Resources a program uses to achieve program objectives. Examples are staff, volunteers, facilities, equipment, curricula, and money.
 51. **Internal Controls-** Systems that are in place to prevent a loss from occurring.
 52. **IRS Form 990-** An annual public information disclosure form for non-profit organizations concerning the organization’s structure, finances, and programs.
 53. **Job Description-** A formal and clear account of a specific employee’s duties and responsibilities within the organization.
 54. **Maximum Feasible Participation-** Residents of the low-income communities and members of the groups served by programs assisted through this block grant are empowered to respond to the unique problems and needs within their community.
 55. **Mismanagement-** Act of creating a substantial risk to a grantee or partnering agency’s ability to accomplish its mission. A result of poor processes or poor management (e.g., no training, processes not being aligned with one another or not being followed appropriately)
 56. **Mission-** The fundamental purpose and reason for which the organization exists.
 57. **Mission Statement-** A brief description of the organization’s approach to filling the need it was created to address.
 58. **Monitoring-** The act of determining if an agency is meeting the compliance expectations associated with program requirements.
 59. **Orientation-** A standard outline of content for educating participants (governing board, staff, or volunteers) on their roles and responsibilities.
 60. **Outcome-** The change that happens to an individual, family, or community as a result of efforts (typically programs/services offered). The larger changes community action is working to achieve.
 61. **Outcome Indicator-** Specific items of information that track a program’s successes on outcomes. They describe observable, measurable characteristics or changes that represent achievement of an outcome.
 62. **Output-** Products of a program's activities, such as the number of meals provided, classes taught, brochures distributed, or participants served.
 63. **Performance Evaluation-** A formal procedure to measure the productivity of an employee’s work/ results based upon their job responsibilities and to then provide feedback.
 64. **Performance Indicator-** A particular value or characteristic used to measure outputs or outcomes.
 65. **Policy-** Approved system of what is going to be done. The guidelines that regulate organizational affairs.
 66. **Procedures-** How the policy will be carried out. They are protocols for implementation.
 67. **Procurement-** The process of finding and agreeing to terms for acquired goods and services via a competitive bidding process.

68. **Quorum**- The minimum number of members needed at a governing board meeting before business can be conducted.
69. **Reporting**- Documented written or verbal presentation of data to a specific audience (i.e., governing board)
70. **Return on Investment**- The relationship between the cost to provide the program or service and the value of the benefit or result can only be measured using outcomes.
71. **Risk Assessment**- A process or method of evaluating potential risks or hazards that may cause harm for the organization, its employees, customers, volunteers, and stakeholders.
72. **Schedule of Inventory**- Provides useful details and important information about the inventory acquired to operate the organization.
73. **Strategic Plan**- An organizational wide process that is used to set priorities, focus energy and resources, strengthen operations, and ensure everyone is working towards common goals.
74. **Strategic Planning Scorecard**- A method used to measure achievement or progress towards established goals.
75. **Succession Plan**- A plan for filling a vacancy whether it be planned or unplanned.
76. **Theory of Change**- intended to provide a graphic overview of the core principles, performance management framework, and services and strategies implemented and led by the network to achieve the goals of Community Action across the nation.
77. **Trailing Twelve Months**- data from the past 12 consecutive months used for reporting financial figures.
78. **Unrestricted Funds**- Money within a non-profit organization that is not tied to specific program operations. Allows the agency to use for any purpose.
79. **Vision**- A picture or dream of a desired future
80. **Vision Statement**- A written description of what the organization intends to achieve at some point in the future.
81. **Waste**- Act of using or expending money or resources carelessly, extravagantly, or to no purpose.

These terms and definitions were taken, in whole or in part, from a variety of national sources such as Wikipedia, Peter F. Drucker materials, Office of Management and Budget, Board Source Glossary of Nonprofit Governance, CAPLAW, NASCSP Acronyms and Definitions, NCAP Organizational Standard Glossary of Terms, and Terms and Definitions for Results Oriented Management and Accountability (ROMA)