

NEWSLETTER

# AP STYLEBOOK

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## philanthropy (new)

Philanthropy coverage focuses on charitable acts or gifts that help others or society as a whole. While that applies to donations made anywhere in the world, in the United States philanthropic organizations are generally defined by their tax status.

### Some terms:

**nonprofit vs. not-for-profit** In the U.S., a *nonprofit* organization is one that has tax-exempt status from the IRS and has a stated mission to provide a public benefit and often can receive a tax-deductible donation. Examples include a charity, church or other social welfare group. That's in contrast to a *for-profit* organization, which operates in order to generate revenue for its owners, like most businesses.

A *not-for-profit* organization is not required to operate for the public good and donations to the organization are not tax-deductible, even if it has IRS tax-exempt status.

Nonprofits are categorized based on what section of the Internal Revenue Code governs their type of organization.

There are 29 types, but the most common are:

*501(c)(3)*: Organizations created for what the U.S. tax code defines as "social welfare," they are generally seen as charitable, educational or religious groups. They have tax-exempt status and donations to them are tax-deductible. To maintain that status, their work cannot primarily focus on lobbying for a single political candidate or party.

*501(c)(4)*: Also created for "social welfare," but these organizations are

allowed to donate to specific political candidates or parties and lobby for them. Donations to these groups are not tax-deductible.

Generally, refer to the nonprofits based on their stated missions: *The charity is dedicated to supporting earthquake victims or The homeless shelter has seen an increased demand for its services.*

Use the tax code designation in stories questioning whether the group is using its funding properly or to differentiate nonprofits working in the same sector.

**crowdfunding** Fundraising for individuals and organizations done generally by raising small amounts of money from large numbers of people through online platforms, including GoFundMe, Kickstarter, and Indiegogo. Whether it is considered philanthropy depends on what organization gets the money and how they plan to use it.

**donor-advised fund** Special charitable investment account where people immediately receive tax breaks for what they contribute, even if it takes years for those contributions to be donated to an actual nonprofit. Do not use the abbreviation DAF unless in a direct quotation; explain the meaning if used.

**endowment** A fund used by nonprofits to generate ongoing revenue. Generally, it refers to a base of assets that are invested so that the proceeds can be spent by the nonprofit on expenses. Nonprofits can have multiple revenue streams aside from endowments. Nonprofit public universities, for example, can receive funding from the government, as well as from an endowment.

**foundation** A nonprofit organization that makes grants to other nonprofits with charitable purposes. (Generally, a private foundation's money comes from a single person, family, or corporation. Money from a public foundation, or community foundation, comes from multiple sources.)

**fundraise, fundraiser, fundraising** An event or campaign designed to generate money for a nonprofit or cause. No hyphen, no space.

**giving circle** A group of people (not organizations) who pool their funds and collectively decide where to donate them. No hyphen. Define on first reference.

**GivingTuesday** The first Tuesday after Thanksgiving is known as GivingTuesday, when individuals are encouraged to make donations to nonprofits. No space between the two words. The group that handles the administration of the day is also known as GivingTuesday, born from a social media campaign known as #GivingTuesday in 2012.

**The philanthropy entry continues with several additional terms.**