Council for Exceptional Children

Nonprofit Essentials Glossary

Plain-language definitions of the terms Unit and Division leaders hear most

Welcome

You became a CEC leader because you care about students with exceptionalities and the professionals who serve them. You did not sign up to become a nonprofit management expert, and you don't need to be one. But as a Unit or Division officer you will hear terms like fiduciary duty, quorum, 990, and restricted funds. This glossary explains them in everyday language and shows what each one means for you in practice.

Look it up

Terms are grouped by topic with a color for each section. Skim the headings, or use Ctrl+F (Cmd+F on Mac) to find a word.

Start with the stars

Terms marked ★ START HERE are the ones to learn first.

Check your own rules

This glossary explains general concepts. Your requirements come from your bylaws, CEC policy, and local law. When unsure, ask CEC.

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Structure and Legal Basics

What kind of organization you are and the rules you live by

Nonprofit	An organization formed to serve a public or member purpose rather than to make money for owners. It can end a year with more money than it spent, but that surplus goes back into the mission, not to individuals. **In practice:** *A conference surplus isn't "profit" to be divided up. It supports future work.*
Mission Statement	A short statement of why the organization exists and who it serves. **In practice:** *When deciding whether to take on a new project, ask: does this advance our mission?*
Vision Statement	A picture of the future you are working toward. The mission is what you do today; the vision is where it leads.
501(c)(3) ★ START HERE	The section of the U.S. tax code for charitable and educational organizations. They don't pay federal income tax, and donors may be able to deduct their gifts. **In practice:** *CEC is a 501(c)(3). Most Units and Divisions fall under this category.*
Group Exemption	An arrangement where a parent organization's tax-exempt status also covers its approved subordinate groups, so each doesn't apply on its own. **In practice:** *It affects whether you can open accounts, apply for grants, or issue donation receipts in your own name. Ask CEC.*
EIN (Employer Identification Number)	A nine-digit IRS number for an organization, like a Social Security number for a group. **In practice:** *Needed for bank accounts and tax filings, even if you have no employees.*
Bylaws ★ START HERE	Your written rules: who can be a member, how officers are chosen, how often you meet, how decisions are made, and how the bylaws themselves can change. **In practice:** *Read them in your first month and follow them even when it's inconvenient. They settle most "how are we supposed to do this?" debates.*
Charter	Formal authorization for a Unit or Division to operate as part of CEC. **In practice:** *It comes with expectations such as minimum membership, elections, and required reports.*
Good Standing ★ START HERE	Being current on dues, reports, and filings. Groups that fall out of good standing can lose privileges or funding. **In practice:** *Put your deadlines on a calendar and hand it to your successor.*
Incorporation	Creating a legal corporation under state or provincial law. A corporation is separate from its members, which generally helps shield volunteers from personal liability.

Volunteer-Led	Run by unpaid members rather than paid staff. **In practice:** *Your officers do work that staff would do elsewhere, so clear roles and good records matter even more.*

Governance and Leadership

How leaders are expected to act

Governance	The system of oversight and decision-making that keeps an organization on mission and accountable.
Governing Board / Executive Committee	The people with ultimate legal responsibility for the organization. Yours may be called a board, executive board, or executive committee. **In practice:** *If you're an officer, the duties below apply to you.*
Fiduciary Duty ★ START HERE	The legal duty to act in the organization's best interest rather than your own. It has three parts: care (make informed decisions), loyalty (put the group first), and obedience (follow the bylaws, the law, and the mission). CEC suggests adding "foresight (prepare for the future)" as a fourth part. **In practice:** *You don't need a law degree. Prepare for meetings, ask questions, disclose conflicts, follow your rules, and think ahead for the future.*
Conflict of Interest ★ START HERE	A situation where a leader's personal, financial, or professional interests could influence, or appear to influence, decisions for the group. **In practice:** *Example: a board member's relative owns the printer bidding on your conference. Disclose it and let the board decide without that member.*
Recusal	Stepping out of a discussion and vote because of a conflict of interest. Note it in the minutes.
Succession Planning	Preparing the next generation of leaders so the group doesn't stall when officers rotate off. **In practice:** *The president-elect role exists partly for this purpose.*
Transition "Binder"	Files, passwords, contacts, calendars, and instructions passed from one officer to the next.
Ex Officio	Latin for "by virtue of office." A person holds a seat because of another role they hold, such as past president. Your bylaws should say whether ex officio members can vote.

Meetings and Decision-Making

Running meetings the right way

Quorum ★ START HERE	The minimum number of voting members who must be present for a meeting to make official decisions. Your bylaws set it. **In practice:** *If quorum is five and only four people show up, you can discuss but not vote. Always check quorum first.*
Agenda	The planned list of topics for a meeting. Sending it ahead helps everyone prepare.
Minutes ★ START HERE	The official record of what was decided at a meeting: motions, votes, and who will do what. They are not a word-for-word transcript. **In practice:** *Minutes may be requested in an audit or a CEC review. Keep them organized and saved in one place.*
Motion and Second	A motion is a formal proposal ("I move that we approve the budget"). A second means another member agrees it deserves discussion, not that they support it.
Consent Agenda	A single vote to approve routine items, such as last month's minutes and committee reports, so meeting time goes to real discussion.
Robert's Rules of Order	A widely used guide to orderly meetings, motions, and voting. Many bylaws name it as the authority for procedure. **In practice:** *Know the basics (motion, second, discussion, vote) and keep a one-page cheat sheet handy.*
Executive Session	A private part of a meeting, usually for sensitive topics such as personnel or legal matters.
Ad Hoc vs. Standing Committee	An ad hoc committee is temporary and created for one task. A standing committee continues year after year.

Finance and Money

Handling funds responsibly

Budget	A plan for expected income and expenses over a set period, usually a year. **In practice:** *Approve it as a group, then compare actual spending to it regularly.*
Fiscal Year	The 12-month period used for budgeting and financial reporting. It may not match the calendar year.
Surplus and Deficit	A surplus ("in the black") means you took in more than you spent. A deficit ("in the red") means the opposite.
Reserve Fund	Money set aside for emergencies, future needs, or unexpected shortfalls.
Treasurer's Report	A summary of income, expenses, and account balances presented at meetings.
Net Assets	What you own minus what you owe. Nonprofits use "net assets" where businesses say "equity."
Restricted Funds ★ START HERE	Money given for a specific purpose, such as a scholarship. You may use it only for that purpose. Unrestricted funds can be used for anything that supports the mission. **In practice:** *If a donor gives $500 "for student teacher scholarships," you cannot use it to cover a conference shortfall. Track it separately.*
Internal Controls ★ START HERE	Simple safeguards that protect money and prevent errors or fraud. **In practice:** *Examples: two signatures on large checks, someone other than the treasurer reviewing bank statements, and receipts for every reimbursement. Controls protect volunteers too.*
Segregation of Duties	Dividing financial tasks among different people so no one controls a transaction from start to finish.
Reconciliation	Checking your records against the bank statement to confirm they match.
Audit	An independent review of financial records.
Overhead	Costs of keeping the group running that aren't tied to one program, such as insurance, website hosting, and bank fees. A normal, necessary cost of doing good work.
In-Kind Contribution	A donated good or service instead of cash, such as free meeting space or donated printing. **In practice:** *Record it even though no money changes hands.*

Compliance, Legal, and Risk

Staying in good standing and out of trouble

Form 990 (T3010 in Canada)
★ START HERE

The annual information return most tax-exempt organizations file with the IRS (or CRA). Smaller groups may file a simpler version. Form 990s are public records.

> **In practice:** *Each Unit and Division must file separately, so check to see who is responsible.*

Assurance Form (and Quarterly Report)

A yearly (or quarterly) report to CEC (and sometimes to the state) on activities, membership, and finances.

> **In practice:** *Missed deadlines can affect your good standing.*

D&O and General Liability Insurance

Directors and Officers (D&O) insurance protects leaders from claims about decisions made for the group. General liability covers injury or property damage at events.

> **In practice:** *Ask CEC for a recommended insurance provider.*

Risk Management

Identifying what could go wrong, such as an injury at an event, lost funds, or a data breach, and planning for it.

Whistleblower Policy

Protects people who report wrongdoing in good faith from retaliation.

Record Retention

A schedule for how long to keep minutes, financial records, and contracts, and when to dispose of them.

Privacy

Responsible handling of members' personal information.

> **In practice:** *Never share member lists casually, and never put identifiable student information in newsletters, social posts, or session materials without proper permission.*

Lobbying vs. Advocacy
★ START HERE

Advocacy is speaking up for a cause. Lobbying is the narrower legal term for trying to influence specific legislation, and 501(c)(3) organizations face limits on it. They may not support or oppose candidates for public office.

> **In practice:** *Educating members about an issue is fine. Endorsing a candidate in your Unit or Division's name is not. Check with CEC first.*

Contracts and Signing Authority

A contract is a legally binding agreement with a hotel, speaker, or vendor.

> **In practice:** *Check who is authorized to sign. Don't sign as an individual for an obligation that belongs to the group.*

Members and Fundraising

Growing and funding your group

Dues	Regular payments members make to belong. Dues are not donations.
Retention	Keeping the members you have. It is usually easier than recruiting new ones, and a personal note to lapsed members is one of the most effective tactics.
Member Value Proposition	The clear answer to “Why should I join or stay?” For educators, that means learning, networking, advocacy, resources, and community.
Donation vs. Sponsorship	A donation is a gift with nothing expected in return. A sponsorship gives the giver something, such as logo placement. Tax treatment differs, so ask CEC.
Grant	Funding from a foundation, agency, or company for a specific purpose, usually with conditions and reporting requirements.
Donor Stewardship	Thanking donors, keeping them informed, and building relationships so they give again. **In practice:** *A prompt, personal thank-you matters more than most people expect.*
Donation Receipt	Written confirmation of a gift that donors often need to claim a tax deduction.
Raffles, Auctions, and Gaming	Fundraisers that may be regulated by state or provincial law. Check the rules before you run one.

Strategy, Programs, and Impact

Planning your work and showing results

Strategic Plan	A multi-year roadmap (often three to five years) for where you want to go and how you will get there.
SMART Goals	Goals that are Specific, Measurable, Achievable, Relevant, and Time-bound. You likely know these from IEP work.
Program	In nonprofit language, an activity or service that delivers your mission, such as a conference, webinar, or mentoring. **In practice:** *It does not mean a classroom program or curriculum.*
Outputs vs. Outcomes	Outputs count what you did (3 workshops, 90 attendees). Outcomes describe what changed (participants used new strategies in their classrooms).
Logic Model	A simple chart connecting resources, activities, outputs, and outcomes.
KPIs (Key Performance Indicators)	The few numbers you track, such as membership, event attendance, and survey satisfaction.
Stakeholder	Anyone affected by or interested in your work: members, families, districts, universities, funders, and CEC.
Needs Assessment	Gathering input from members to learn what they most need.
Capacity Building	Strengthening the people, skills, and systems your group needs, for example by training new leaders.
MOU (Memorandum of Understanding)	A written agreement describing what each partner organization will do.

Communications and Advocacy

Speaking for your group

Brand Guidelines	Rules for using logos, colors, and wording consistently. **In practice:** *Use CEC's approved logos so your group is clearly part of CEC. Review CEC's Brand Guidelines for more.*
Call to Action	A clear invitation to do one thing: register, renew, donate, or volunteer.
Advocacy	Efforts to influence public understanding, policy, or practice for a cause, within legal limits.
Grassroots Advocacy	Advocacy where members contact their own legislators or decision makers.
Position Statement	An official statement of the group's stance on an issue. **In practice:** *Find out who may approve one for your Unit or Division. Review CEC's Public Statement Endorsement Process.*
Social Media Policy	Guidelines for what leaders and members may post on the group's behalf.

Quick-Reference Acronyms

Letters you will see in emails, reports, and meeting packets

CEC	Council for Exceptional Children	**KPI**	Key Performance Indicator
EIN	Employer Identification Number	**FY**	Fiscal Year
IRS	Internal Revenue Service (U.S.)	**YTD**	Year to Date
CRA	Canadian Revenue Agency	**P&L**	Profit and Loss statement
990 (U.S.) **T3010 (CAN)**	Annual tax-exempt information return	**AGM**	Annual General Meeting
GL	General Liability (insurance)	**RFP**	Request for Proposals
D&O	Directors and Officers (insurance)	**CFP**	Call For Proposals
MOU	Memorandum of Understanding		

Same Word, Different Meaning

Everyday education words that mean something else in nonprofit work

Term	In education	In nonprofit work
Program	A classroom, curriculum, or student service	Any activity the organization offers to deliver its mission
Board	School board overseeing a district	The group legally responsible for the organization
Goal	A student objective on an IEP	An organizational target in a strategic plan
Data	Student performance information	Membership, financial, and program information
Compliance	Following IDEA and district rules	Following tax law, bylaws, and CEC policies
Advocacy	Supporting a student or family	Influencing policy or public understanding, within legal limits

Five Habits That Keep Volunteer Leaders Successful

Small routines that prevent big problems

1. **Know your documents.** Keep your bylaws, charter, and recent financial reports in a shared, accessible place.
2. **Write it down.** Take minutes, save emails and approvals, and keep receipts.
3. **Disclose conflicts early.** Speaking up protects you and your group.
4. **Meet your deadlines.** Reports and filings keep your Unit or Division in good standing.
5. **Ask for help.** CEC staff and fellow leaders are resources. You don't have to figure it out alone.

Where to go for help

- Your bylaws and CEC governance documents
- Your CEC staff contact for Units and Divisions
- Your state or provincial nonprofit corporate act
- A local attorney or accountant for tax, contract, or liability questions
- Your Secretary of State (or equivalent) for incorporation and annual filings

This glossary is an educational resource and is not legal, tax, or financial advice.