

## Resource 1: Funder Jargon Translator

### *A Beginner's Guide to Decoding Donor Terminology*

#### Introduction

Navigating the grant landscape often feels like learning a new language. Funder jargon can be confusing, but using the correct terminology in your proposals demonstrates professionalism, compliance readiness, and structural maturity. Use this quick-reference guide to master common donor terms.

#### 1. Project Design & Strategy Terms

- **Theory of Change (ToC):** A comprehensive explanation (often accompanied by a visual diagram) mapping out how your daily project activities will directly trigger medium-term outputs and lead to long-term systemic change.
- **Logical Framework Approach (LFA / Logframe):** A structured  $4 \times 4$  matrix used by international donors (like USAID, EU, and UN agencies) to map out project objectives, activities, measurable indicators, verification sources, and key risk assumptions.
- **Problem Tree Analysis:** A planning tool used to identify a core issue, its underlying root causes (the roots), and its direct social/economic effects (the branches) before writing a proposal.
- **Target Beneficiaries:** The specific primary group (direct beneficiaries) receiving project support (e.g., *150 young women entrepreneurs*) versus those indirectly impacted in the broader community (indirect beneficiaries).

#### 2. Financial & Budgeting Terms

- **Direct Costs:** Budget items directly tied to executing project operations (e.g., workshop venue rentals, participant transport stipends, facilitator fees, training manuals).
- **Indirect Costs (Overhead / Operational Costs):** General running expenses required to keep your organisation operational that cannot be tied to a single project (e.g., office rent, central utilities, executive director salary allocation).
- **Match Funding (Co-Funding):** A requirement where a donor asks your organisation (or secondary partners) to cover a specific percentage of the total project budget alongside their grant.
- **In-Kind Contributions:** Non-monetary assets or services contributed to a project (e.g., volunteered staff time, donated meeting spaces, pro-bono legal services).

#### 3. Compliance & Reporting Terms

- **Letter of Intent (LOI) / Concept Note:** A concise summary (usually 2–3 pages) submitted prior to a full proposal to pitch a project concept and gauge funder interest.
- **Post-Award Compliance:** The legal and operational commitments an organisation must maintain after winning a grant, including timely narrative reporting, financial acquittals, and adherence to donor procurement rules.

- **Acquittal:** The formal post-project process of submitting verified receipts, bank reconciliations, and audit reports to prove grant funds were spent according to the approved budget.