

inspiring action:

foundations and religious organizations

Philanthropy has a long history of funding faith-based institutions because of their deep roots in communities and their strong commitment to doing good deeds. More and more, health funders are recognizing that, in addition to meeting the spiritual needs of their members, churches, synagogues, and mosques are offering health education programs, providing health services, and advocating on behalf of health policy issues. Partnerships between foundations and religious organizations can bring together two powerful community institutions in ways that extend the reach and effectiveness of both.

THE BENEFITS OF COLLABORATING WITH FAITH ORGANIZATIONS

Faith-based institutions can be good strategic partners for foundations for a number of reasons. First, there are a huge number of religious organizations in this country, most with well-established organizational structures. Many are used to operating on limited budgets and have become frugal stewards of available resources, which means that a small grant can go a long way. Churches, synagogues, and mosques often have existing relationships with hard-to-reach vulnerable populations. They also have ready access to a pool of active and committed volunteers and a commitment to leadership development, producing leaders through their religious education programs, youth development work, and financial or administrative structures. And clergy and congregations can often bring immediate and enduring credibility to projects, winning the respect and trust of community members more easily than many public agencies, academic institutions, and traditional social services and advocacy organizations.

Religious organizations also have a long tradition of being safe places and powerbases for people to gather and discuss difficult issues. They have a strong track record of meeting community needs and participating in social justice movements. Many are surprisingly diverse by race and ethnicity, socioeconomic status, gender, and age. Because faith and lay leaders have an intimate understanding of the daily challenges

people face in life, they can often provide the stories that give a face and name to the statistics that drive public policy change efforts. Finally, many religious organizations have witnessed enormous change in the communities in which they sit and can help funders identify trends, challenges, and opportunities (McGraw et al. 2000).

Perhaps most importantly for health funders, faith-based institutions devote considerable resources to health care programming. In September 2007 the National Council of Churches USA, an ecumenical agency composed of 35 denominations, released the results of their *Congregational Health Ministry Survey*. The survey, conducted with support from the Robert Wood Johnson Foundation, was sent to a sample of 88,000 of the council's 105,000 local congregations. Nearly three-quarters of the 6,000 responding churches offer direct health services. Two-thirds run health education programs. Half give direct financial support to people struggling to pay their medical bills. Over a third engage in public policy and advocacy activities. Most congregations engage both members and non-members in these efforts (National Council of Churches USA 2007).

In addition to meeting the spiritual needs of their members, faith-based institutions devote considerable resources to health care programming. A recent survey found that nearly three-quarters of responding churches offer direct health services, two-thirds run health education programs, half give direct financial support to people struggling to pay their medical bills, and over a third engage in public policy and advocacy activities.

FACTORS THAT CAN MAKE COLLABORATION CHALLENGING

It is important to note that many foundations have policies that prohibit funding religious organizations. These policies are in place for a number of reasons. Some grantmakers mistakenly believe that philanthropic grants to churches, synagogues, and mosques are illegal. Others are reluctant to invest in religious organizations because they are unsure whether they can prevent proselytizing in funded programs. Still others are concerned about whether funding one faith or denomination might make it appear that they favor that one above others. In addition, a number of funders are

skeptical about organized religion's role in health and social services and pride themselves in their institution's religious neutrality (Lundberg 2004; Franklin 2005).

ARE GRANTS TO CHURCHES LEGAL?

If a grantmaker's organizing documents (certificate of incorporation, trust instrument, or bylaws) do not prohibit funding religious institutions, generally there is no restriction against making grants to churches, synagogues, mosques, or other religious institutions. The First Amendment to the Constitution, with its bar on governmental action that advances or inhibits religion, does not apply to private grantmakers.

Charitable purposes include the promotion of religion so that grantmakers with organizing documents that allow them to promote broad charitable purposes may make grants to religious institutions for their core religious functions. Some grantmakers choose to support only the nonsectarian activities of these organizations, but this is a policy choice, not a legal requirement.

Grantmakers with organizing documents that bar them from advancing religion may have to make fine distinctions between church-based programs that do and those that do not promote the religious beliefs of the sponsor.

HOW DO YOU KNOW IF A CHURCH IS A PUBLIC CHARITY?

Unlike most other charities, churches are not required to file an application for recognition of exemption from federal income tax with the Internal Revenue Service (IRS).

Nonetheless, many churches are covered by group exemption rulings obtained by their convention or denomination, and many churches not covered by such rulings have obtained their own determination letters. If a potential grantee asserts that it is covered by a group exemption, the grantmaker may confirm its status by reviewing a copy of the determination letter and finding a listing of the grantee in the denominational directory or other comparable record.

If a potential grantee claims that it is a church but does not have a determination letter or a group exemption ruling, it will be the grantmaker's responsibility to assess whether the entity is a church, and thus, a charitable organization. There is no definition of a church in the Tax Code, but the IRS has developed a list of common characteristics of churches.

Source: Nober 2007

Even if a foundation's organizing documents permit support for religious organizations, funders can be stymied by the heterogeneity of the faith community. Wide variation across the sector can make it difficult for funders to design a single initiative appropriate for all congregations or to determine quickly a congregation's readiness for foundation funding. Some religious organizations have long traditions of service to the community while others focus more on the needs of their own membership. In some congregations, the clergy will be the ultimate decisionmaker about programs; in others, lay leadership will dominate. Some religious organizations include evangelizing elements in social service and health projects and others do not.

The differences do not end there. Some religious organizations are independent and have very loose or no ties to regional, state, national, or international bodies; others will need permission from structures beyond the local church before a program can be started. Congregations have different levels of interest in interfaith efforts, with some readily participating in collaborative efforts with other faith communities and others avoiding arrangements that might diminish their independent decisionmaking or require modification of some of their practices. Finally, congregations vary in terms of available financial and human resources applicable to project work.

Despite these variations, there are a few challenges that funders agree are inherent in partnerships between foundations and religious organizations, all of which will be familiar to grantmakers with experience working with small community organizations.

- **Capacity is often a major concern.** Mega-churches may receive a great deal of media attention, but most religious organizations are small, understaffed, and not equipped with sophisticated financial controls. Many churches, synagogues, and mosques do not routinely conduct external audits and will not have the ability to handle financial reporting as some funders expect.
- **Accountability and evaluation can be another problem.** Most religious organizations receive ongoing funding from denominational agencies that require little, if any, oversight or monitoring. This causes many to be intimidated by site visits, surprised by the level of reporting required by foundations, and inexperienced in constructing outcomes evaluation measures.
- **Sustainability presents a third challenge.** If faith institutions do not plan to invest their own financial resources in a foundation-funded project or charge fees for the services they provide, they can find themselves struggling to keep programs afloat when a grant ends (Moore 2001).

TYPES OF COLLABORATION A FOUNDATION MIGHT CONSIDER

Foundations can engage in many types of collaboration with faith organizations, including relationship building, technical assistance and capacity building, education, social support, health promotion and service delivery, community organizing and advocacy, or research.

► **Relationship Building** – In the early 1990s the Lilly Endowment, Ford Foundation, and W.K. Kellogg Foundation established the Philanthropy and Black Churches Project at the Council on Foundations. Later known as the National Office on Philanthropy and the Black Church and housed at the Southern Education Foundation, the project's goal was to bring together foundations and black churches that were working on the same social issues but had not formed strong working relationships. The project identified clusters of grantmakers interested in building relationships with black church leaders; designed informational meetings at the regional level; developed publications on legal considerations and due diligence questions; and helped to forge formal collaborations, many of which continue today (Franklin 2005).

► **Technical Assistance and Capacity Building** – One of these ongoing collaborations is between funders and clergy in Boston, Massachusetts. Beginning in the early 1990s, the Boston-based Hyams Foundation began supporting the work of several black churches that had banded together to address gang violence in their communities. The clergy helped police identify gang members; made home visits; held community meetings; and started daycare programs, after-school tutoring programs, and peer mentoring programs. Eventually working in collaboration with the Mayor's office, the Catholic Archdiocese, and Jewish nonprofit organizations, the churches achieved dramatic results (the number of homicides dropped from 152 to 43 between 1990 and 1997) and received national attention. Led by the Hyams Foundation, Boston-area funders began to direct funds to these churches and their community outreach programs and established the Black Church Capacity Building Program, which provides training and individual technical assistance in program planning and development, grant proposal writing, leadership development, financial management, computer technology, and facilities

development (Lundberg 2004; Franklin 2005).

In 2002 the federal government created the Compassion Capital Fund (CCF) as a key component of President George W. Bush's faith-based and community initiative. The fund works through intermediary organizations to help faith-based and community organizations build their organizational capacity. Several of the Boston churches that had been nurtured by local foundations over the past decade were well positioned to access these newly available funds and came together with the United Way of Massachusetts Bay to develop a CCF intermediary organization called the Boston Capacity Tank. The tank provides capacity-building services to faith-based and community organizations that work with at-risk and high-risk youth in Boston, helping young people receive needed services and access relationships with supportive adults.

► **Social Support** – Volunteerism is a hallmark of congregational life. Even congregations that do not think of themselves as interested or involved in providing health services organize volunteers to visit the sick, prepare meals for the homebound, provide transportation to medical appointments, and help with health-related paperwork. These programs often occur informally and on a small scale. In the early 1980s, the Robert Wood Johnson Foundation began to see the potential of these programs to support and supplement the caregiving that families and friends provide to people who need chronic care. Aware

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that most individual congregations did not have the resources necessary to staff and oversee their volunteer programs adequately, the foundation began to test an interfaith volunteer caregiving model in which a group of congregations representing the community's various faiths came together, hired a paid director, and established a single caregiving program that drew its volunteers largely from the participating congregations to serve the entire community. Having a paid director made the program better organized and more structured, and the program's interfaith design avoided religious proselytizing, which

often made the services more acceptable to those in need of care (Jellinek et al. 1999). This demonstration project grew into the Faith in Action initiative, which currently boasts 719 programs in 48 states.

- **Health Education** – In 2006 the Kansas-based United Health Ministry Fund released *Health through Faith and Communities*, a study guide intended for Christian groups to explore the connections between spirituality, personal health, and social well-being. The book was more than five years in the making, beginning as an idea among members of the fund's trustees and staff and written by a team of social work and religious studies academics. Covering a wide range of topics from addictions and mental illness to faith-based community organizing, the book is designed to be easily adapted to adult Sunday school classes, workshops, and retreats, with the goal of helping congregations promote personal and social health in the church community, the local community, and beyond.
- **Health Promotion and Service Delivery** – Many churches, synagogues, and mosques offer sustained, ongoing health promotion programs that provide screenings, classes, and prescription checks and include content related to end-of-life issues, nutrition, high-blood pressure, drug and alcohol use, mental health, dementia, organ donation, diabetes, obesity, AIDS, smoking, and family planning. Other congregations provide more intensive health care services, including drug and alcohol counseling, health screenings, and the operation of health clinics.

Knowing that faith-based institutions and small secular organizations serve an important role in the life of many communities in their service area, the Missouri Foundation for Health recently developed the Health Interventions in Non-Traditional Settings (HINTS) initiative. Grants made through HINTS are designed to support efforts of eligible nonprofits, not typically considered traditional health organizations, to increase access points to community health services. In October 2007 the foundation awarded a series of grants to 45 religious organizations for a variety of activities, many of which might provide funding ideas to other state and local grantmakers. They include:

- providing transportation to health centers and interpretive services for area African refugees;

“Faith communities have a long and important tradition of providing health services to the most vulnerable in our nation. Now that one in seven Americans has no insurance, and therefore has difficulty accessing needed health care, the work of our churches has never been more important. The bottom line, however, is that they cannot shoulder this burden alone. The health care crisis is a national problem that needs national, bipartisan solutions.”

– RISA LAVIZZO-MOUREY, ROBERT WOOD JOHNSON FOUNDATION

- offering health assessment, screening, and exercise programs for area older adults;
- expanding health services to homebound elderly;
- helping area seminary students learn about healthy behaviors and exercise to both improve their own health and the health of future congregations;
- expanding a dental treatment program to 300 additional low-income, underserved youth;
- helping at-risk youth in dealing with depression and other emotional issues;
- implementing a wellness and relapse prevention program for people dealing with mental illness;
- providing information, counseling, and access to health care for lesbians, gay men, and people who are HIV-positive;
- providing support services to young women facing unplanned pregnancies;
- training adult youth leaders in mental health and first-aid practices;
- expanding a training program for clergy on reproductive loss counseling;
- training registered nurses to become parish nurses;
- expanding counseling programs for individuals with addictions to drugs and/or alcohol;
- expanding a clean air program, which works to reduce air pollution and asthma attacks;
- supporting a program for low-income families that focuses on increasing healthy child development and reducing child abuse and neglect;
- expanding services to homeless women with addictions to include anger and stress management classes, as well as relapse prevention classes and counseling; and

- enabling a domestic violence shelter to address the physical and mental health of its clients by adding a parish nurse component.

- **Community Organizing and Advocacy** – Their deep roots in communities and commitment to social justice have long made churches, synagogues, and mosques central actors in community organizing and advocacy efforts. A number of prominent health funders, including The Marguerite Casey Foundation, The California Endowment, The California Wellness Foundation, The Nathan Cummings Foundation, The James Irvine Foundation, and The San Francisco Foundation provide support to People Improving Communities through Organizing (PICO), a national network of faith-based community organizations working to create innovative solutions to problems facing urban, suburban, and rural communities. Since 1972 PICO has worked to increase access to health care, among other issues, working through more than 50 different religious denominations and faith traditions. With more than one thousand member institutions representing one million families in 150 cities and 17 states, PICO is one of the largest community organizing and advocacy efforts in the United States. In the past year, PICO affiliates have helped convince Florida policymakers to pass \$1.1 million legislation that will open 5,000 new slots in the state's KidCare program; pushed for progress on children's health coverage in Alaska, Colorado, Missouri, and New York; and led a highly visible advocacy campaign for federal State Childrens Health Insurance Program (SCHIP) expansion.
- **Research** – When the Robert Wood Johnson Foundation funded the National Council of Churches to survey its members about their health ministries, they were breaking new ground. In the survey report, the authors lay out a series of research questions that merit follow-up. They encourage researchers to explore how these programs began and how they are maintained, as well as the number of persons served and approximations of the aggregated financial value of such programs within the national health care economy. They recommend that high priority be given to the development and application of research that might effectively explore communities of color and other marginalized communities where health disparities are acute. Finally, they recommend inquiries into the training, recordkeeping, and substance of advocacy activities in U.S. congregations (National Council of Churches USA 2007).

COLLABORATION STRATEGIES

Over the years, health funders have learned valuable lessons about how best to collaborate with faith institutions.

DUE DILIGENCE: QUESTIONS TO ASK FAITH-BASED APPLICANTS

1. Is this an organizational priority or the individual project of a member? Is the congregation solidly behind the program?
2. Has the congregation prepared itself for the unique governance challenges of this program? Who will make the program decisions?
3. What good are you trying to accomplish? Are the desired outcomes realistic and measurable?
4. How will this project work over the long haul and meet difficult financial times? Will the program be able to survive after foundation funding ends?

Source: Moore 2001

Their advice:

➤ **Building the Relationship**

- Get to know faith-based institutions by involving them in all coalition-building efforts funded by the foundation.
- Begin with issues – access to primary care, children's health, care for the elderly – on which the foundation and religious organization can find common ground, allowing both to stay within their values-boundaries and not jeopardize constructive relationships with divisive issues.

➤ **Developing a Special Initiative or Grant Program**

- If the foundation has policies that prohibit funding churches, synagogues, and mosques, consider collaborating with interfaith coalitions or programs with church affiliations.
- Establish a small pot of funds solely for investing in health projects of faith organizations that show promise but may be more risky than normal. Use these projects to help inform the funder's strategic planning process.
- Construct grant guidelines that make the foundation's expectations about inclusivity and proselytizing clear. Programs can contain an intentional faith element without excluding potential participants for religious or other reasons or seeking to convert.

➤ *Easing the Grant Application Process*

- It is often difficult for religious organizations to match grant-writing skills with more experienced foundation grantees. Tailor requests for proposals (RFPs) to include religious organizations or design separate RFPs for religious organizations when there is particular work they can accomplish.

“The faith-based community has a big role to play in keeping our communities healthy...It is a part of our entrepreneurial outreach to make sure that we’re helping those problem solvers out there get the work done.”

– PAT BRANDES, BARR FOUNDATION

- Encourage faith-based applicants and grantees to involve individuals within the congregation who have outside experience with grants in program planning and implementation.
- Hold grantee pre-application meetings with religious organizations, which emphasize evaluation and reporting expectations.

➤ *Adjusting the Foundation’s Guidelines*

- Recognize that it is difficult for many congregations to provide the financial documentation that grantmakers require and consider adjusting foundation guidelines.
- Consider funding facility and/or equipment costs, which may be necessary in order to make church, synagogue, or

mosque facilities adequate for a health project.

➤ *Addressing Sustainability*

- Help address sustainability challenges by encouraging religious organizations to emphasize in-kind support and keep paid staff small, insisting on some church budget contribution from the start, and being clear about the prospects for grant renewal.

- Require the governing body of the religious organization to acknowledge key terms of the grant at one of its meetings and provide an adopted resolution as part of final grant documentation.

➤ *Helping to Ensure Success*

- Develop appropriate networking with other religious and secular organizations undertaking similar work to expose religious organizations to best practices.
- Acknowledge that the religious or spiritual elements of the program can be positive forces.

Faith-based institutions are often the organizations best positioned to affect lasting change in communities in need. While there are particular sensitivities inherent in collaborating with religious organizations, many funders have found that the benefits far outweigh the challenges.

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