

Initiative 4: 501(c)(3) Consolidation Support



“Alone we can do so little; together we can do so much!”
– Helen Keller

Trinity Health Foundation of East Tennessee extends the healing ministry of Jesus by improving the physical, emotional, and spiritual health of our community.

Note: To be considered, a proposal for Initiative 4 requires one lead organization and at least one or more partnering organizations to provide a viable proposal.

ENVISIONED GOAL: Trinity seeks joint proposals from **two or more small 501(c)(3) organizations** in our region that are considering structurally merging to sustain their mission and operations. Phase I funds would be designated for the discussion/development of a “Merger Letter of Intent” and plan between the organizations with a financial estimate of items needed to consummate the merger. In Phase II, Trinity would provide the needed funds for due diligence, legal, accounting, board transition, etc., and support as determined by the Phase I plan to facilitate operational mergers intended to create stronger, sustainable entities. Trinity is not a consulting or legal service provider, but will provide funds for organizations to obtain needed merger services.

BACKGROUND: The last year has posed extreme challenges for small businesses of all kinds across the nation. Some of those small businesses are nonprofits that serve key roles in our community. The purpose of this initiative is to encourage like organizations to explore and consummate mergers resulting in viable organizations moving forward.

EXAMPLES OF SPECIFIC INITIATIVES:

Hypothetically, there may be two compatible small 501(c)(3) organizations with similar missions, an overlap of services, and agreeable leadership. This initiative

seeks to bring these organizations together to determine the viability of merger and create/execute merger plans if warranted. Successful Phase I proposals must be CO-SUBMITTED by at least two 501(c)(3) organizations located within the geographic service area of THFET.

GENERAL GRANTING PHILOSOPHY FOR TRINITY PHASE I GRANTS:

TRINITY requires all lead proposing organizations to have a 501(c)(3) or equivalent status. While certain tasks within a project can be subcontracted to for-profit entities, their participation must be under the 501(c)(3) bidder's supervision. A single organization can only submit one Phase I grant to Trinity each year, but organizations are encouraged to partner in supporting roles on as many proposals as they desire. Phase I grants are for planning and prototyping activities and can include labor, consultants, travel, overhead, and minimal materials if needed for initial demonstration. Trinity encourages proposals that:

- find successful projects in other regions and bring them to our community,
- display a clear knowledge of services in our region and avoid duplication by intentional collaboration,
- reveal a distinct pathway to sustainability and have a matching or in-kind collaborative approach,
- provide definitive metrics for the measurement of success,
- implement documented best practices toward goals,
- are locally based and serve Knoxville and surrounding contiguous counties (Anderson, Blount, Grainger, Jefferson, Loudon, Roane, Sevier, and Union),
- serve a broad demographic in race, gender, age and physical location, and
- include a component of faith in their purpose

At the end of the 90-day planning period, a final Phase I report will be due. If the grantee wishes to continue with the Phase II proposal process, a completed Phase II application will also be expected at this time. Only successful Phase I grantees will be eligible to submit a proposal for Phase II.

Phase II grants are for implementation and can be used for a broad range of activities beyond Phase I, including, but not limited to, capital facilities, equipment, training courses, etc. TRINITY strongly suggests, but does not require, matching funds and/or in-kind support (volunteer labor, use of facilities, infrastructure development like software, databases, products and websites, promotion, etc.) for proposed efforts, particularly in Phase II. TRINITY is a faith-

based organization, but will consider proposals from non-faith-based entities as long as there is not a conflict with our mission.