



A Guide to Working with Rural Philanthropy



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About the Guide to Working with Rural Philanthropy

This guide describes emerging practices to support rural organizations building partnerships with philanthropies.

Philanthropies provide an important source of funding for health programs in rural communities. However, it can be challenging for small and rural communities to build relationships with philanthropies, particularly if they are not located in the same geographic area as philanthropies. A Guide to Working with Rural Philanthropy compiles emerging practices and resources to support rural communities seeking to build partnerships with philanthropies across the United States. The audiences for this guide are rural organizations including healthcare providers, nonprofit organizations, faith-based organizations, businesses, health coalitions, and community-based organizations, among others.

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How to Use this Guide

The *Guide to Working with Rural Philanthropy* provides information for rural health practitioners and leaders to consider as they work with rural philanthropy, and it is divided into five sections:

1. The State of Rural Philanthropy
2. Preparing for Partnerships with Philanthropies
3. Seeking Funding from Philanthropies
4. Establishing Partnerships with Philanthropies
5. Sustaining Partnerships with Philanthropies

Within these sections, there are hyperlinks to resources and organizational websites for more information.

The guide is organized sequentially, though partnerships between rural organizations and philanthropies may not unfold in a linear manner. This guide provides information and resources that can help rural organizations at any stage of the process when working with philanthropies.

1. The State of Rural Philanthropy

Philanthropies provide resources to individuals and organizations, in the form of grants, gifts, in-kind donations, capacity building, and technical support.

In the United States, less grantmaking occurs in rural communities than in non-rural communities. Rural organizations received, on average, 5.5% of total domestic grants from large foundations between 2005 and 2010.¹ Rural organizations received 7.5% in 2005 and 7% in 2009 of the value of small grants and grants from smaller foundations.² The average real value per person of grants from large foundations to organizations in nonmetro counties was \$88 per person, less than half the average for organizations in metro counties.³ Rural organizations received more grants for higher education, the environment, and recreation and leisure activities. In contrast, urban organizations received more grants for health, medical, science, and technology research, and arts, culture, and humanities.

Research and policy efforts have explored ways to encourage philanthropic investments in rural communities.^{4,5} Federal efforts have also underscored the importance of increasing philanthropic support in rural areas.^{6,7,8}

Philanthropies Serving Rural Communities

Private foundations are the primary source of philanthropic giving in both rural and non-rural communities. Private foundations primarily make grants to nonprofit organizations or individuals. Examples include corporate foundations, independent foundations, and operating foundations. The philanthropic role of private foundations varies in scope; they may function solely as donors or grant makers with low levels of engagement with grantees, or they may provide extensive support, including technical assistance and capacity building.

Rural areas are also served by public foundations, also known as public charities, that fundraise and pool contributions from sources such as the government, foundations, and the public. Public charities include churches, hospitals, and other types of organizations. Community foundations are public charities that typically provide grants to communities in a specific geographic area. Different types of philanthropies serving rural communities are discussed in Section 4.

Examples of Philanthropic Investments in Rural Community Health

Core Support

Philanthropies may offer [core support](#), which is unrestricted funding that supports any aspect of a program. Philanthropies that provide unrestricted funding can help rural programs respond to unforeseen challenges and pursue innovative solutions to local issues.

Community Capacity

Philanthropies can support rural organization efforts to strengthen community capacity. Funding can support community capacity in different ways, such as by implementing model interventions, policies, and practices; sustaining programs and services; building and maintaining a workforce; providing community education; achieving policy, systems, and environmental changes; and funding operational costs, such as employee salaries, rent, technology, utilities, and office supplies.

Economic Development

Philanthropies can help address [economic challenges](#) in rural areas by funding job training, education programs, start-up costs for new businesses, and other efforts to spur job creation. For example, the [Claude Worthington Benedum Foundation](#) has a long history of supporting economic development in rural West Virginia and southwestern Pennsylvania. The foundation takes a regional approach to economic development, promoting agricultural and technological advances and providing capital for communities in concentrated poverty.

Healthcare Infrastructure

Philanthropies play an important role in building healthcare capital in rural areas, such as renovating facilities and installing health information technology systems. For example, the [Leona M. and Harry B. Helmsley Charitable Trust Rural Healthcare Program](#) provides funding for telemedicine, equipment for hospitals and first responders, and programs that improve access to behavioral health services in the rural, upper Midwest.

Challenges in Rural Philanthropy

Access to Major Foundations

Many national philanthropies are in urban communities. Due to their proximity, urban organizations have more opportunities than rural organizations to build relationships with philanthropies through in-person events.

Matching Fund Requirements

Grant programs may require applicants to have resources to match the funder's investment. This presents a barrier for rural organizations with limited resources.

Demonstrating Impact

Some philanthropies have requirements for achieving impact—specifically, the number of people served by a program. Rural organizations may have successful programs and services but inherently serve fewer people because of lower population density. Philanthropies may not be able to invest in programs that serve a small number of people, regardless of the program's potential. Rural organizations can partner with other rural organizations to increase their impact.

A Needs-Based Rather than Asset-Based Narrative

Much of the research exploring rural communities has focused on disparities and needs, with limited attention to the strengths and assets present in many rural communities.⁹ This narrative of despair and hopelessness negatively affects how rural communities are perceived by philanthropic organizations and the public. Philanthropies may perceive that there is nothing they can do to address the challenges facing rural communities, deterring investment.

Organizational Capacity

Rural programs face unique challenges to building organizational capacity. They may not have funds for salaries and administrative costs, business development activities, and recruitment and retention efforts for staff with skills in areas that are important to philanthropies, such as data collection, analysis, and evaluation.

Misperceptions about Rural Communities

Misperceptions about rural communities that may affect philanthropic investment are described below.

Self-sufficiency

Rural communities are known for their altruism and volunteerism and there is a perception of a self-help, mutual aid tradition in rural America. This concept that volunteerism replaces philanthropy might affect philanthropic investments in rural communities.

Diversity

Funders may not be aware that many rural areas are racially and ethnically diverse due to an increasing immigrant population in the rural workforce.

Demand for Arts and Culture

Some funders may underestimate the demand for cultural resources in rural areas, due to the characterization of cities as cultural hubs. Misconceptions of rural areas as less interested in cultural activities than urban areas may make it more difficult for rural programs to secure funding for arts and cultural activities.

Impact of a Single Organization

One rural organization or program may serve multiple functions and provide critical services to the entire community. Funders may not be aware of the impact that a single local organization can have on health and well-being in a rural community.

Funding Needs for Tribal Communities

Tribal communities have historically received little funding from foundations. According to [Foundation Funding for Native American Issues and People](#), a report by the Foundation Center (now Candid) in cooperation with [Native Americans in Philanthropy](#), only 0.3% of the share of total foundation giving in 2009 focused on American Indian communities. Of this 0.3%, only about a quarter of grant dollars was for rural communities. This report theorizes that the lack of funding could be due to a lack of understanding about the role that philanthropies could play in improving Native American communities.

Innovations in Rural Philanthropy

Philanthropies are using innovative approaches to engage rural communities. By tailoring their approach to reflect the strengths and challenges of working in rural areas, philanthropies can ensure their funding will be more successful in creating and sustaining impact in rural communities. These are examples of innovative strategies used by rural philanthropies to create meaningful partnerships with rural communities:

Community Building Approaches

Philanthropies, such as the Ford Foundation, are embracing a [Community Building Approach](#), which centers rural residents and local groups in building their community's future in an inclusive and comprehensive way. This approach has four principles:

- Going where people are
- Building on existing assets
- Being inclusive
- Ensuring the community is at the center

Embedded Program Staff

Rural organizations may struggle to build relationships with philanthropies due to geographic distance. To overcome this challenge, some philanthropies are hiring local staff in rural areas. For example, the [Ford Family Foundation](#) hires field coordinators in rural areas to focus on regional community building. Field coordinators are dedicated staff who facilitate relationships with rural communities and connect local programs to the foundation's resources.

Feedback on Grant Applications

Some philanthropies provide technical support and capacity-building resources to rural organizations. They may provide support to help an organization strengthen its application, such as assistance with designing evaluation and sustainability strategies. For example, the [Empire Health Foundation](#) offers applicants an opportunity to discuss their projects during the proposal phase and provides guidance.

Technical Assistance

Philanthropies may provide technical assistance to rural organizations on their proposals during the application process and, when funded, on program implementation, evaluation, and dissemination.

Connections

Philanthropies are willing to share expertise and insights and connect rural organizations to other philanthropies if they are unable to help. Even if the philanthropy is not the right fit to assist the organization, these connections are important and can lead to other opportunities.

High-Priority Issues

Philanthropies track national or regional trends important in rural communities, which is critical given the rapid changes that are occurring in the health field. Some philanthropies are aligning their priorities with those of federal or state agencies — for example, focusing on grantmaking for communities implementing efforts to prevent or treat substance use disorders, such as opioid use disorder, and other issues in rural communities.

2. Preparing for Partnerships with Philanthropies

30-Second Introduction

Rural organizations must ensure that staff can explain the organization's goals consistently, both verbally and in writing. This includes:

- The problem that the organization addresses
- How the organization will address the problem
- Why the organization is uniquely suited to address this problem
- Expected outcomes and impacts
- The rural community's unique assets

This introduction is not a pitch about the program's funding needs, but rather an initial opportunity to share a few key points about the rural program. During this introduction, it is generally not appropriate to ask for funding.

Relationships with Organizations with Similar Missions

Rural organizations often have strong partnerships with organizations in the community and a history of collaboration. Working with organizations that have similar interests and missions is beneficial when seeking philanthropic funding. Partners may include healthcare providers, schools, community organizations, faith-based organizations, and philanthropic organizations.

Presence in the Local Community

Rural organizations that have successfully established partnerships with philanthropies note the importance of maintaining a positive presence in their local community. When considering which organizations to fund, philanthropies may visit the local community and speak with community stakeholders. Rural organizations should consider:

- How supportive is the community of the rural organization?
- Do people know about or use the rural organization's services?
- What relationships does the rural organization have with community organizations?

Partner Support for Outreach

Partners can help rural organizations to identify and conduct outreach to appropriate philanthropies. Examples of partners include:

- **Advisory boards or committee members** for rural organizations are knowledgeable about the philanthropic organizations in the community, state, or region and are important connectors to these organizations.
- **Champions** in the community can identify and connect with philanthropies through their presence in the local community.
- **Community foundations** can refer or connect rural organizations to other philanthropies if they are not an appropriate funder.
- **Nonprofit associations** and membership-based organizations in the state can make connections to people and potential funders throughout the state.
- **Government agencies** such as the State Office of Rural Health, Federal Office of Rural Health Policy, or U.S. Department of Agriculture can provide information about similar projects and suggestions for philanthropic partners.
- **Local partners** such as local public health agencies, schools, libraries, and other community stakeholders can share information about philanthropies.

Common Areas of Interest

With a short list of philanthropies in mind for outreach, rural organizations can prepare by identifying common areas of interest between the organization and the philanthropy. There are several ways rural organizations can learn about philanthropies:

- **Research philanthropy websites** to understand priorities, departments, initiatives, and funding.
- **Identify upcoming meetings** that the philanthropy is attending or speaking at in the community (for example, a conference or a local Rotary meeting) where it may be possible to meet.
- **Research the philanthropy's grant recipients** on their website or in their annual report over the past five years to identify other organizations and communities that have been funded to conduct similar work.
- **Identify program officers** for other grant recipients working in a similar area of interest. Rural organizations can email or call program officers to learn more about the grant and if there are similar funding opportunities.

- **Review publications that reference the philanthropy** about a topic of mutual interest in a journal, newspaper, or philanthropic magazine. The authors of these publications, or people who are quoted, may be important contacts.

Dissemination

Philanthropies are interested in investing in programs or organizations with a track record of success. Rural organizations should consider sharing information about their program's achievements. This can help increase their visibility. Examples of materials for sharing program or organization information with philanthropies include program summaries, annual reports, sample budgets that show the impact of investments, and individualized donor letters. Rural organizations can create short videos about the organization's mission and

achievements to share with philanthropies. Stories, quotes, and case studies can illustrate program successes.

Materials used to share program results should be concise and clear, with a direct call to action. Having electronic and printed versions of materials can be helpful. Philanthropy staff reading information about the program should be able to quickly understand the program, how it aligns with the philanthropy's priorities, and its potential to make an impact.

Rural organizations can share program information with philanthropies and more broadly. For example, rural organizations can present project findings at a conference, meeting, or local event where philanthropy staff might be present; attend local and national conferences, association meetings, and other events; use social media to share information about the goals of the program and organization; and connect with local media, such as a newspaper or radio station, to inform the community and potential philanthropies about the program.

501(c)(3) Status

Philanthropies provide grants to organizations that qualify for [501\(c\)\(3\)](#) status from the Internal Revenue Service (IRS). 501(c)(3) organizations are exempt from federal taxes and are generally categorized as public charities, private foundations, and private operating foundations. Donations to 501(c)(3) organizations are tax-deductible. To obtain 501(c)(3) status,

Rural organizations can create a one-pager—a short, simple document—that succinctly tells the story of the rural program and identifies how philanthropic contributions can make a difference. Programs should consider developing short, customizable materials that can be tailored and shared with different organizations.

organizations will need to submit an application to the IRS. To maintain public charity status, an organization generally needs to receive at least one third of its revenue from government sources and/or the general public. Public charities should consult with their accounting and tax advisor when receiving sizable grants to ensure they can maintain their status.

3. Seeking Funding from Philanthropies

When approaching philanthropies for funding, rural organizations can apply high-yield, emerging strategies as well as traditional strategies.

There is not a one-size-fits-all strategy for seeking philanthropic funding. While the process for seeking federal funding is generally well-defined and typically organized around solicitations for proposals, the process for seeking funding from philanthropies is variable.¹⁰

Generally, rural organizations should build a relationship with a philanthropy before seeking funding. This can require substantial time and effort. Emerging practices for building relationships with philanthropies and seeking philanthropic funding are described below.

It can take years to cultivate a new relationship with a philanthropy. Rural programs should begin building relationships early through focused outreach.

High-Yield, Emerging Strategies

- **Attend a Meeting** – Meet philanthropy staff at a meeting, workshop, or conference.
- **Reach by Phone or Email** – Send an email to a point of contact, sharing how you learned of their work (for example, their website or publication). Afterward, follow up with a phone call.
- **Invite a Funder to Visit the Program** – Host an in-person visit so the philanthropy staff can see the program in action, better understand the needs in the community, talk to program staff and community stakeholders, and identify how the program addresses the community's needs.

Traditional Strategies

- **Requests for Proposals (RFPs)** – Philanthropies may issue competitive RFPs on their website. A philanthropy's funding requirements will differ based on mission, practices, and decision-making processes. These requirements can include page limits, submission method, and information to include or exclude in a proposal. The most successful applications for funding are compelling, concise, and organized.
- **Invited Proposals** – Philanthropies may also invite specific organizations to submit a proposal. Proposal formats may differ, ranging from a brief concept paper to a full proposal.

4. Establishing Philanthropic Partnerships

Philanthropies at the local, state, and national level serve rural communities. There are many different types of philanthropies that support rural programs. This section describes types of philanthropies and presents emerging practices and partnership considerations identified by rural programs and experts in rural philanthropy. These practices are not research-tested, but they hold promise based on the experiences of rural programs and philanthropies that have implemented and recommended them.

Community Foundations

Community foundations are public, philanthropic organizations that provide grants to communities in specific geographic locations. They are one of the fastest-growing types of philanthropic organizations in the U.S., with more than 750 community foundations.¹¹ They are a repository for assets and resources donated by individuals, families, and businesses for the benefit of a community. Assets set aside by donors can contribute to the creation of endowments or donor-advised funds that are managed through community foundations to serve the community.

Community foundations can help build capacity within rural communities. Most community foundations are accredited, meaning they have met established standards for financial responsibility and accountability.

Community foundations are a valuable resource for rural communities interested in building an endowment to provide funding for local activities. They can serve as a management organization for a rural endowment fund. For example, community foundations often provide administrative support for rural giving circles, in which members pool their resources and give to a limited number of recipients. Giving circles can help rural funds and resources stay in the community and encourage smaller or non-traditional individual investments. Pooling assets into a few larger gifts can help amplify the impact of a program.

Types of Rural Philanthropies

- Community foundations
- Local, state, regional foundations
- National foundations
- Endowed assets
- Corporate philanthropies
- Community development financial institutions
- Tribal philanthropies
- Health conversion foundations

Rural Examples

- The [Community Foundation of West Alabama](#) serves a nine-county region in Alabama. It focuses on education and community health. The foundation manages agency endowments, designated funds, donor-advised funds, and unrestricted funds.
- The [Nebraska Community Foundation](#) works in 250 communities across the state to support grassroots philanthropy. Its primary focus is building capacity in communities interested in identifying and investing in local assets. Potential donors and grant applicants work directly with a community fund of interest rather than through the Nebraska Community Foundation itself.
- The [Greater Kanawha Valley Foundation](#) is the largest community foundation in Central Appalachia and administers over 500 philanthropic funds in a six-county region on topics such as food security, access to healthcare, chronic disease prevention and treatment, employment, and behavioral health, among other topics. Applicants must work with a project officer before being invited to apply to ensure activities align with the foundation's strategic plan.

Partnership Considerations

Community foundations in some rural areas may be relatively small with limited resources. Depending on the types of donations and wishes of the donors, resources may be allocated for specific uses and cannot be awarded to organizations that do not fit specific criteria (for example, an organization serving an entire state or region).

Local, State, and Regional Foundations

For rural organizations that have never partnered with a philanthropy, partnering with local, state, and regional foundations can be a great place to start. Local, state, and regional foundations often have a strong understanding of the communities they serve and the geographic and demographic characteristics of their service area.

Local Foundations

Local foundations are invested in the success and growth of their communities and have small geographic areas where they invest. Many local foundations are private family foundations. They may be established by an individual or family with a connection to the area. Some private family foundations may focus on one topic of interest or a broad range of issues. Often, members of the founding family are still active on the local foundation's board and may guide decisions. Other families may set up a rural [donor-advised fund](#), which can be a good source of charitable funding for nonprofit organizations.¹²

State Philanthropy

State foundations serve a larger population. Grant funding may be more competitive than at the local level, but less competitive than national-level grants.

Regional Philanthropy

Regional philanthropies may invest in a specific geographic area with staff located throughout the region.

Rural Examples

Local Philanthropy

- [United Ways](#) are local, community-based organizations affiliated with the national office. There are many local United Ways within rural communities. Local United Ways set their priorities for action based on community needs. They support nonprofits through donor engagement, public relations support, and grant funding.

State Philanthropy

- The [Colorado Health Foundation](#) is a private foundation that funds projects in communities across the state. The Colorado Health Foundation has program officers at the local level to build community engagement.
- The [Kate B. Reynolds Charitable Trust](#) is a state-level philanthropy that has made major investments in rural North Carolina counties to improve health in the state.
- The [Foundation for a Healthy Kentucky](#) is a nonprofit organization investing in health policy, research, and demonstration projects in Kentucky. They support work to reduce tobacco use, promote responsive health policy, and improve child health.

Regional Philanthropies

- The [Dorney-Koppel Family Charitable Foundation](#), along with partners including Claude Worthington Benedum Foundation, funded the creation of pulmonary and cardiac rehabilitation clinics in Maryland, West Virginia, North Carolina, and Louisiana.
- The [Benedum Foundation](#) supports initiatives in West Virginia and southwest Pennsylvania. It is the largest funder in West Virginia besides the government.
- The [Appalachia Funders Network](#) is a resource for funders located in the Central Appalachian region of the U.S. It consists of 40 network members. Its goals include coordinating local and regional grantmaking in Appalachia.
- The [Ford Family Foundation](#) is a private, nonprofit foundation that makes grants to public charities and agencies in rural Oregon and rural Siskiyou County, California. It engages rural communities by investing in community development initiatives.

Partnership Considerations

The presence of regional, state, and local foundations varies among rural communities. Funders may invest in organizations located within specific geographic areas, or that address specific focus areas, so it is important to check whether the rural program meets the eligibility criteria.

National Foundations

National foundations are [private foundations](#), which may be independent, family, or corporate foundations. They distribute grants across the country and often have larger endowments than foundations at the state or community level. They may prioritize funding to specific regions or states. National foundations fund programs that align with their priorities.

Rural Examples

- The [Leona M. and Harry B. Helmsley Charitable Trust](#) strives to improve lives in the U.S. and around the world. It has invested millions of dollars in its [Rural Healthcare Program](#), which aims to improve healthcare access and quality in the Midwest region of the country. The program works with nonprofits in the upper Midwest to implement programs on healthcare delivery and workforce.
- The [Robert Wood Johnson Foundation](#) supports communities working toward health equity with strong community partnerships through its program, Building a Culture of Health in America. The program supports work in four areas centered on health equity: health systems, healthy communities, healthy children and families, and leadership for better health.
- The [W.K. Kellogg Foundation](#) is one of the world's largest private foundations that awards grants in the U.S., Mexico, and Haiti and invests in rural communities. Its priorities are thriving children, working families, and equitable communities. The foundation supports tribal health through programs aimed at improving children's development and increasing healthcare capacity in American Indian/Alaska Native communities.

Partnership Considerations

National foundations may not have the local connections and deep ties to specific rural regions, but some have regional offices or staff located near the rural communities they serve. While many national foundations historically have not had a rural focus, many have shifted their focus.

Endowed Assets

Small and rural organizations can benefit from building endowments. An [endowment](#) is an asset that is invested for the future. Most often, donations are gifts in the form of money or financial assets, including property. Since assets are invested, the interest can support programs and strengthen the financial outlook for rural communities.

[Rural community endowment funds](#) create a local source of assets controlled by the community that can help residents and organizations in the future. In most instances, the assets in the endowment fund have parameters for how the money can be used.

[Steps to build a rural community endowment fund](#) include:

- Promoting the need for a rural endowment to community leaders
- Organizing local community partners to begin the endowment and connect with the local philanthropic community of individual and business donors
- Donating funds and designating their use by community organizations and individual donors
- Using funds to create a new community foundation to manage the endowment or using funds from a previously existing community foundation

Community endowments can support [positive change](#) in rural communities. They provide a mechanism for capturing philanthropic funds, build community assets, and allow for local control of funds. This may help build community support.

Rural Examples

- The [Nebraska Community Foundation](#) helps communities manage assets and develop leaders, directly funding initiatives and helping build endowments. The foundation manages endowments including the [Brown County Hospital Endowment Fund](#) and endowments from individual donors aimed at benefiting organizations in specific communities, such as [Beaver Crossing, Nebraska](#).
- The [Red Cloud Community Foundation Fund](#) is an endowment managed through the Nebraska Community Foundation. Red Cloud is a town with a population of 1,000 people and has seen improvements in community life since the creation of this endowment. These funds were created more than 20 years ago and have grown due to the individual donations of resident donors. The foundation fund continues to provide matching grants to charities in the community.
- The [Bath Community Fund](#) is administered by the [Akron Community Foundation](#) in Ohio and was established by local residents with an initial endowment of \$250,000 from 85 founding donors. Nonprofit and government organizations in the Bath community can apply for funding.

Considerations

There are [challenges](#) building endowments in rural communities, including:

- A lack of understanding about rural endowments
- Smaller donations in rural areas or donations in the form of land or other non-monetary gifts, which can require more time to manage
- Need for resources, people, and time to manage the endowment, which may require rural organizations to seek professional assistance

Corporate Philanthropies

Rural organizations may establish partnerships with corporate philanthropies and company-sponsored foundations. Some companies have charitable or philanthropic arms that provide assets to community programs. Corporate philanthropies may have local and national giving programs. Corporate philanthropies support community programs in different ways, such as through grants, sponsorship, or cash donations.

Corporations donate funds to programs, often for reasons that differ from philanthropies. For example, companies may prefer donating to nonprofit organizations in the same geographic area or support causes and efforts linked to the company's mission and interests.

Rural Examples

- Microsoft Philanthropies' [Airband Initiative](#) addresses broadband internet adoption and digital equity in rural and urban communities.
- The [Highmark Foundation](#) is a Pittsburgh-based private charitable organization that funds rural programs in western and central Pennsylvania and West Virginia. Its focus areas include chronic disease, family health, and healthcare service delivery systems.
- The [Walmart Foundation](#) provides grants to local communities within four pillars: creating opportunity, advancing sustainability, strengthening community, and racial equity.

Partnership Considerations

Corporate philanthropies may not offer grants to organizations located outside of a specific geographic area. Additionally, corporate philanthropies may offer grants that are small, though still meaningful, in size (for example, between \$5,000 and \$10,000). Rural organizations should consider how their program aligns with the philanthropy's mission and priorities.

Community Development Financial Institutions

[Community Development Financial Institutions](#) (CDFIs) are private-sector organizations with a mission to serve individuals with low incomes, and economically distressed communities. They provide access to financial services, investment capital, and affordable credit. These funds are available to local organizations that can use these loans or grants to make investments that will generate community wealth. CDFIs can also provide resources such as financial planning or technical assistance to organizations. They work to leverage funding from sources, including federal grants, private financing, corporations, and other sources of capital. The [CDFI Fund](#) reports that there are 1,000 CDFIs in operation across the U.S. They serve all 50 states and U.S. territories.

CDFIs can serve an important purpose for small and underserved communities losing access to local banks offering credit for economic development. CDFIs can help small government grant-seekers like rural economic districts, housing authorities, or water districts and other rural non-governmental organizations, such as small businesses. In addition to a lack of access to local

banks, business owners in rural or underserved communities may not be able to meet the documentation requirements (for example, long credit histories) to secure a loan.

Programs interested in working with a CDFI can begin by identifying a CDFI that serves their geographic region. The [CDFI Fund](#) and the [Opportunity Finance Network](#), a national trade association of CDFIs, offer locator services of CDFIs. Individuals can call the CDFI to explain their intention of starting a business (or that they are seeking a loan for another purpose). The CDFI may have a website that provides information about the loan products they offer, loan limits, and their contact information. The CDFI loan officer or program administrator can provide information about available programs, eligibility, and application processes.

CDFIs are certified by the U.S. Treasury; however, many other community development financial institutions are present in rural communities. Cdfis (as opposed to CDFIs) are mission-driven lenders that lend money but do not accept deposits. Some cdfis choose to be Small Business Administration Preferred Lenders to add products and resources to their work. For example, the U.S. Department of Agriculture's [Intermediary Relending Program](#) provides low-interest loans to local intermediaries like cdfis that relend to businesses in rural communities. Since cdfis do not have the same reporting criteria as CDFIs certified by the U.S. Treasury, it is difficult to ascertain how many exist across the U.S.

Cdfis in rural communities are capable, flexible, and agile institutions and work with borrowers to understand their unique circumstances. For example, rather than denying an application, cdfis may ask an individual or organization why they do not have a bank account even though they have good cash flow or how they will raise equity. Cdfis are also flexible in ways that other lenders are not. For collateral—the repayment source in the event of default on the loan—cdfis in rural communities have accepted non-traditional forms of collateral, such as vehicles and personal possessions that are valuable to the borrower though they are of a low monetary value.

Rural Examples

- The [Kentucky Highlands Investment Corporation](#) (KHIC) was the first community development venture capital fund in the United States. Since 1968, KHIC has provided financing to 220 businesses totaling \$356 million, creating an estimated 22,000 jobs
- CDFI Fund's [Native Initiatives program](#) provides technical assistance, financial assistance, trainings, and other resources to organizations that primarily serve Native communities. The program was developed to increase the ability of Native communities to access credit, capital, and financial services. Since 2001, Native and Native-serving CDFIs have received \$150 million in awards.

Partnership Considerations

When applying for a loan from a CDFI, as with a traditional loan, there are requirements such as a business plan, personal financial statement, collateral, a track record, and good personal and business credit. CDFIs may require other information. CDFIs may also consider the economic conditions in the local community and other factors that could affect their investment.

Tribal Philanthropies

Funding for American Indian/Alaska Native (AI/AN) organizations is low and declining as a share of total foundation giving.¹³ Approximately 60% of the funding for AI/AN programs and organizations comes from 10 large foundations.¹⁴ Overall, the median amount for a grant that focused on AI/AN populations was \$50,000. While the total amount of giving to tribal causes is relatively low, philanthropic funding is a source of support for tribal health.

Major philanthropic funders of tribal programs include national foundations, such as the Robert Wood Johnson Foundation, and regional foundations, such as the [Northwest Area Foundation](#). Community foundations, especially those affiliated with tribal governments, such as the [Spirit Mountain Community Fund](#), are also sources of funding for tribal causes.

Rural Examples

- [Native Americans in Philanthropy](#) (NAP) is a network that promotes investment “in, with and for” Native communities. Through its [Art of Reciprocity](#) program, NAP trains tribal staff about developing relationships with philanthropic partners and creating feasible fundraising strategies.
- The [Common Counsel Foundation](#) and NAP partnered to fund [Native Voices Rising](#). This project has funded over 40 tribal-affiliated organizations to support advocacy and community engagement activities.
- The [Shakopee Mdewakanton Sioux Community](#) (SMSC) is a sovereign tribe and the largest philanthropic supporter of Native causes in the U.S. For example, SMSC has [contributed over \\$1,000,000](#) to support the rural Health and Wellness Center of the Lac Vieux Desert of Lake Superior Chippewa.
- The [Northwest Area Foundation](#) provides grants to make long-lasting and impactful change in tribal communities.

Partnership Considerations

A report by the [National Committee for Responsive Philanthropy](#) suggested that philanthropies might be unaware of the challenges affecting the health status of AI/AN populations. Also, limited data about the needs of tribal communities may contribute to a lack of philanthropic funding supporting tribal causes.

Health Conversion Foundations

Health conversion foundations also known as health legacy foundations or hospital conversion foundations are established when a nonprofit healthcare entity converts to a for-profit corporation. The healthcare entity can meet federal requirements regarding the sale of tax-exempt entities by creating a new foundation that preserves the value of the nonprofit for the public's benefit.

Health conversion foundations in rural areas can be important philanthropic partners for rural organizations. Most foundations serve one local community or county, which can provide consistent sources of funding for rural health programs. The missions of health conversion foundations may include health, education, community development, housing, advocacy, and capacity building.

Rural Examples

- The [Colorado Trust](#) is one of the largest hospital conversion foundations in the United States. The trust has a long history of partnering with rural organizations and communities to provide funding that promotes health equity for rural communities.
- Formed in 2008, the [Empire Health Foundation](#) is a private health conversion foundation based in Spokane, Washington, with a service area of 7 counties and 3 tribal reservations in eastern Washington. The foundation invests in health initiatives that improve access, education, research, and policy.
- The [Alleghany Foundation](#) in rural Covington, Virginia, was established in 1995 after the conversion of Alleghany Regional Hospital. The foundation has supported local nonprofits and government agencies in promoting community health. For example, to increase access to care for children and youth in Alleghany County, the foundation provided funding for school nursing programs in local public schools.
- The [Kansas Health Foundation](#) in Wichita, Kansas, was established in 1985. The foundation currently holds a \$200 million endowment and seeks to promote health among all residents of Kansas. The foundation has a long history of supporting initiatives to increase opportunities for and access to economic development, education, healthcare, and healthy living.
- The [Greater Rochester Health Foundation](#), established in 2006, works with several rural counties in western New York to meet the needs of underserved residents.

Partnership Considerations

Health conversion foundations must follow state rules. Some states require health conversion foundations to operate community advisory boards, which could present opportunities for rural organizations to advocate for their needs. Rural health conversion foundations also experience workforce challenges. For example, they may experience challenges with recruiting staff with the desired skills and experience.

5. Sustaining Partnerships with Philanthropies

After a grant ends, rural organizations can implement strategies to sustain partnerships with philanthropies.

When a grant ends, the philanthropy may no longer fund the rural organization's project, even if the project had positive outcomes. Philanthropies receive many proposals and may decide to support other causes. Also, the philanthropy's priorities can change over time. At the end of the grant, rural organizations can sustain their partnerships with philanthropies in several ways.

Strategies for Sustaining Partnerships

- Fulfill grant expectations and build trust
- Stay in contact with philanthropy staff after the grant ends
- Track current priorities
- Disseminate findings

Fulfill Grant Expectations

One of the most important ways to sustain a partnership with a philanthropy is to fulfill the expectations of the grant and achieve positive outcomes. Unexpected events, such as staffing changes or delays in the timeline, can affect the success of a project. Even if rural programs encounter challenges, they can continue to gather information on program successes and outcomes and share this information with the philanthropy. Trust, honesty, and communication are critical to sustaining a positive relationship both during and after a grant, regardless of challenges.

Stay In Contact

Sharing program successes periodically can help engage philanthropic partners. For example, rural organizations can stay in contact with the philanthropy by sharing periodic updates with the philanthropy about the program's impact and inviting the philanthropy to future events.

Track Current Priorities

Rural organizations can visit the philanthropy's website, read its newsletters and publications, and stay up-to-date about its priorities and funding opportunities.

Disseminate Findings

Dissemination opportunities may arise after the grant ends. For example, the philanthropy may be interested in sharing the work of its grant recipients at conferences and invite rural organizations to co-present about program outcomes and lessons learned.

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