Thriving Congregations Initiative
Sustainability & Scaling Grants

REQUEST FOR PROPOSALS 2027

Lilly Endowment is pleased to invite organizations participating in the Thriving Congregations Initiative (Thriving Congregations) whose grant periods end on or before December 31, 2027, to submit proposals for new grants for one of two purposes:

1. **Sustainability Grants:** grants of **up to the lesser of $625,000 or half of the original grant amount** to give organizations more time to garner the financial resources needed to continue their Thriving Congregations programs **at their current level of activity**, embed them into their ongoing operations and sustain them into the future.
2. **Scaling Grants:** grants of **up to the lesser of $1,250,000 or the original grant amount** to help organizations **expand their Thriving Congregations programs** to reach new groups of congregations and/or **add** new activities for congregations currently participating in their programs in ways that are sustainable into the future.

In both options, **Endowment grant funds may cover up to 50 percent of program and other related expenses for up to five years** beyond the end of the organization's current grant period. Thus, organizations must identify other revenue sources to cover at least 50 percent or greater of program and sustainability expenses in their proposals. A fuller explanation of the criteria for Sustainability and Scaling grants is below.

The deadline for submitting proposals is July 1, 2027. The Endowment anticipates announcing grant awards in Fall 2027.

Rationale

The aim of Thriving Congregations is to enhance the vitality of congregations by assisting them in strengthening ministries that help people deepen their relationships with God, build stronger connections with each other and contribute to the flourishing of their communities and the world. To advance this aim, the Endowment since 2019 has awarded grants through Thriving Congregations to 248 organizations to launch a broad array of programs that help congregations address the following objectives: 1) to explore and understand their rapidly changing social and cultural contexts; 2) to gain greater clarity about their values and mission; and 3) draw on Christian practices from their theological and ecclesial traditions to adapt their ministries to the demands of their changing contexts. These grants were awarded to 115 organizations in 2019 and 2020 through a first wave of grantmaking and to 133 organizations in 2023 and 2024 through a second wave of grantmaking. These organizations reflect and serve a broad spectrum of Christian communities in the United States and have implemented a variety of programs that are working with congregations in wide-ranging geographic and ministry contexts. Their programs draw on varying theological convictions and ecclesial traditions and have helped congregations forge partnerships with nonprofits and service organizations to expand their ministries and meet the needs of their communities. At the same time, Thriving Congregations programs have helped pastors and congregational leaders navigate contemporary challenges in ways that further their congregations' vital missions.

As they have neared the end of their grant terms, many organizations that received Thriving Congregations grants in 2019 and 2020 have evaluated the impact of their programs and expressed to the Endowment their commitments to continue or expand their successful programs. Several have shared that they would benefit from more time and financial support to help them build their program's momentum, make necessary adjustments, strengthen external partnerships and find the new funding sources needed for sustainability and scaling. The Endowment has responded positively to these requests. Beginning in 2023, the Endowment invited groups of organizations that were nearing the end of their grant periods to apply for additional funding to help them sustain or scale their Thriving Congregations programs. These organizations have used this additional funding to develop further their programs, refine and adapt their financial models and find efficiencies or generate revenue. Many programs have also identified important collaborating organizations to share costs and deepen the impact of their programs. Building on the success of these efforts, this new initiative seeks to invite another group of Thriving Congregations organizations that are nearing the end of their initial grant periods to apply for additional funding to sustain or scale their programs.

Sustainability or Scaling Grant Options

The Endowment is offering two options to help eligible organizations that received grants in 2023 or 2024 to sustain or expand their Thriving Congregations programs. This invitation is based on the recognition that the participating organizations differ widely in terms of ecclesial polity, size, number of congregations served, staff competencies, financial and organizational capacity, geographic scope and missions. The decision about which option to pursue is left to each organization to determine according to its self-assessment of its needs and capacity. Each organization should provide a strong rationale for its decision to request a sustainability or scaling grant and a clear description of its capacities to continue the program for the long term.

Sustainability Grants

The purpose of *Sustainability Grants* is to provide partial support to help organizations solidify their Thriving Congregations programs **at their current level of activity** and raise the financial resources needed to continue them into the future.

Many organizations, for example, have launched highly promising programs with cohorts of congregations that are helping them engage in innovative ministries in their neighborhoods and communities. Although program leaders are seeing significant progress, there may be one or more program activities that may require additional time to mature. The organization also may benefit from additional time to embed the program into its ongoing operations and/or to identify and cultivate other sources of revenue needed to fully fund its program's activities. These tasks may include building trust with its collaborating organizations, refining program activities to make them more efficient and affordable, raising the financial resources needed to continue the program beyond the grant period, and ultimately integrating it into its ongoing operations.

Eligible organizations that wish to apply for a *Sustainability Grant* may submit proposals **for up to the lesser of $625,000 or half of the original grant amount to fund up to 50 percent of the costs of their programs for up to five years** beyond the end of their current grant period. These costs may include funds needed to continue their programs, to demonstrate a program's effectiveness, and/or to cover fundraising expenses to secure long-term financial support. The *Sustainability Grant* funds may not be used for capital expenses or as corpus for an endowment. In their *Sustainability Grant* proposals, organizations must state their commitment to raise funds to cover at least 50 percent or greater of the program and related sustainability expenses during the sustainability grant period and identify the anticipated sources of these revenues.

Scaling Grants

The purpose of *Scaling Grants* is to provide partial support to assist organizations that have developed strong Thriving Congregations programs in **expanding their programs** to reach new groups of congregations and/ or **add** new activities for congregations currently participating in their programs in ways that are sustainable into the future. *Scaling Grants* are not intended merely to support the ongoing operational costs of the organization's program at its current level of activity. Rather, they are intended to help organizations continue their programs and add significant new dimensions to them to make the programs more effective and to enable them to reach new congregations or to serve congregations currently participating in their programs in new ways.

An organization, for example, may have launched a pilot program with a limited number of congregations in a region to test the "proof of concept" for helping congregations thrive. The organization may wish to apply for a *Scaling Grant* to expand the program to congregations in other regions. In another example, an organization may have developed a program to help congregations launch and refine innovative ministries in particular ministry contexts (e.g., urban, rural, or new church starts). The organization may wish to expand its current Thriving Congregations program to help congregations build on their current projects by developing ministries to serve other ministry contexts. Alternatively, an organization may wish to apply for a *Scaling Grant* to expand the number of collaborating organizations involved in its program to increase resources and support available to congregations.

Eligible organizations that wish to apply for a *Scaling Grant* may submit proposals **for up to the lesser of $1,250,000 or the amount of their original grant that may be used for up to five years** beyond the end of their current grant periods. Endowment funds may provide **up to 50 percent** of the costs to expand an organization's program. These costs may include funds to help sustain the critical operations needed to continue and increase the program's critical operations while adding new and expanding current program activities and/or to cover fundraising and other related expenses to secure long-term financial support. *Scaling Grant* funds may not be used for capital expenses or as corpus for an endowment. In their *Scaling Grant* proposals, organizations must state their commitment to raise funds to cover at least 50 percent or greater of the program and scaling expenses during the *Scaling Grant* period and identify the anticipated sources of these revenues.

Sustainability and Scaling Grant Funding Criteria

The Endowment encourages each eligible organization to think carefully about whether it should submit a proposal for a Sustainability or Scaling grant. In making decisions to submit a proposal, an organization should consider its mission, the success of its current Thriving Congregations program, the level of interest in the program among other congregations and its capacities to continue and sustain program activities beyond the end of sustainability or scaling grant funding. An organization may wish to consider applying for less than the maximum amount of $625,000 (option #1) or $1,250,000 (option #2) if such an amount would better fit its capacity to support and sustain its program for the long term.

This invitational initiative is not competitive. Although the Endowment hopes that all invited organizations submit successful proposals and receive funding, the awarding of a grant, however, is not guaranteed and is at the complete discretion of the Endowment. The Endowment is looking to award grants to organizations that demonstrate that they have the capacity to sustain or scale a high-quality Thriving Congregations program.

Funding decisions will take into consideration the following criteria, among others:

- Evidence that the organization has developed a high-quality program that advances the Thriving Congregations Initiative's aim as well as the organization's mission.
- Evidence of the program's positive impacts on participating congregations.
- A clear commitment and compelling and realistic plan to secure the financial, intellectual and organizational resources needed to sustain or scale its program and continue it into the future.

Proposal Guidelines

A complete proposal must include the following:

Official Request Letter: This **one-page** letter requesting a grant must be signed by the organization's chief executive officer and the chair of its governing board. The letter should specify the amount requested from the Endowment and identify whether the organization is requesting a Sustainability or Scaling grant for its Thriving Congregations program.

Information Form: This form, which is provided on the Endowment's website, requests key information about the proposal and the individuals responsible for the proposed program.

Executive Summary: This summary, which should **not exceed one page**, provides a description of the organization, its mission and constituencies, the primary purpose of its Thriving Congregations program and its anticipated outcomes. It should also indicate the organization's choice to sustain or scale its program and the key elements of the organization's sustainability or scaling plan. *This summary is <u>not</u> included in the 10-page limit for the Proposal Narrative.*

Proposal Narrative: This narrative, which should **not exceed 10 pages** (excluding the program budget and other supporting material), should address the following topics and questions below:

1. **Purpose and Activities:**
   - What are the main purposes of the organization's Thriving Congregations program, and what are the program's key activities?
   - How does the program advance the organization's mission?
2. **Program Outcomes:**
   - What are the Thriving Congregations program's key outcomes thus far?
   - How has the program helped congregations thrive? How many congregations have participated in program activities? What are congregations now doing as a result of their participation in the program?
   - How has the program created new and/or strengthened partnerships and wider networks to support congregations? How many other organizations, beyond congregations, are involved in the program and what are their roles?
   - How has the program deepened and/or altered the organization's understanding of what is needed for congregations to thrive? Specifically, what is the organization learning about how congregations gain greater understanding of their changing contexts? How are congregations

clarifying their missions and visions? How can they draw on Christian practices to adapt their ministries better to deepen the religious lives of congregants and serve those in their communities and across the globe?

3. **Sustainability or Scaling Plan:**

Proposals for Sustainability Grants *(for sustainability grant proposals only)***:**

- Why is it important for the organization to continue its Thriving Congregations program? How did the organization decide to apply for a *Sustainability Grant*? Why is this option most appropriate for the organization?
- What is the organization's plan for sustaining its Thriving Congregations program? What key activities need to be continued, modified or discontinued to make the program more effective and sustainable into the future? What new activities need to be added to the program? What strategies will the organization implement to sustain its key program activities?
- What sources of funding will be needed to sustain the program for the long term? How will the organization secure funds to replace grant dollars? Who is responsible for garnering these resources? Provide a brief description of sources of funding that have been identified, awarded or will otherwise be leveraged in support of the program.
- What other institutional, intellectual and theological resources are needed to achieve the organization's long-term goals? How will these resources be secured? Who is responsible? Are there champions within the organization who strongly support the program or who can provide additional resources?
- How does the organization plan to communicate about the program with its various constituencies? What communication tools will the organization employ and how?
- What are the anticipated outcomes for the sustainability period? For the organization? For congregations? For other Christian organizations? What specific performance indicators will the organization use to track its progress toward these outcomes? What are indicators of progress in two years? Five years? Who is responsible for collecting and analyzing evidence to measure progress?
- What challenges does the organization anticipate facing in implementing its sustainability plan? How will these challenges be addressed?
- Who are the leaders responsible for leading the sustainability plan? What are their roles and responsibilities?

Proposals for Scaling Grants *(for scaling grant proposals only)***:**

- Why is it important for the organization to continue its Thriving Congregations program? How did the organization decide to apply for a Scaling Grant? Why is this option most appropriate for the organization?
- What is the organization's plan for scaling its Thriving Congregations program? What key activities need to be continued, modified or discontinued to expand the program and make it more effective and sustainable into the future? What new activities need to be added to the program? What strategies will the organization implement to scale its key program activities?

- What sources of funding will be needed to scale the program for the long term? How will the organization secure funds to replace grant dollars? Who is responsible for garnering these resources? Provide a brief description of sources of funding that have been identified, awarded or will otherwise be leveraged in support of the program.
- What other institutional, intellectual and theological resources are needed to achieve the organization's long-term goals? How will these resources be secured? Who is responsible? Are there champions within the organization who strongly support the program or who can provide additional resources?
- How does the organization plan to communicate about the program with its various constituencies? What communication tools will the organization employ and how?
- What are the anticipated outcomes for the scaling period? For the organization? For congregations? For other Christian organizations? What specific performance indicators will the organization use to track its progress toward these outcomes? What are indicators of progress in two years? Five years? Who is responsible for collecting and analyzing evidence to measure progress?
- What challenges does the organization anticipate facing in implementing its scaling plan? How will these challenges be addressed?
- Who are the leaders responsible for leading the scaling plan? What are their roles and responsibilities?

Program Timeline: This **one-page** timeline should include proposed activities related to sustaining or scaling the Thriving Congregations program. This may be submitted in a chart format or narrative description. In the timeline, the organization should identify key activities and milestones for implementation. *The timeline is <u>not</u> included in the 10-page limit for the Proposal Narrative.*

Budget: The budget must include a Line-Item Budget, Summary Budget and Budget Narrative. The sustainability or scaling activities of the Thriving Congregations program as described in the narrative section of the proposal should be reflected in the budget. *Budget documents are <u>not</u> included in the 10-page limit for the Proposal Narrative.*

Line-Item Budget: This detailed budget must include anticipated income and expenses during the requested grant period (up to five years). **Please follow the Guide to Budget Preparation (provided on the Endowment's website) to prepare the budget.** Note the budget categories are for illustrative purposes. The Endowment recommends that the organization works closely with those responsible for accounting procedures and financial policies in the organization. Some portion of the Line-Item Budget should be dedicated to fundraising and/or other efforts that will help ensure sustainability.

Through its grantmaking, the Endowment has discovered that it is often helpful for an organization in planning for program sustainability to prepare budgets that extend an additional two years beyond requested grant funding. Including these additional years when planning the budget can help the organization understand the full costs and resources needed to continue its program beyond Endowment funding. This is an important step in determining the feasibility of the organization's sustainability or scaling plan. This exercise also is helpful in demonstrating to the Endowment the feasibility of the organization's plan. In addition, the Endowment suggests creating a budget that incrementally decreases the amount of Endowment grant funding allocated for each budget year during the grant period. This approach will lessen gradually the organization's reliance on Endowment grant funds for operating its program. *See Budget Sample for an example.*

Summary Budget: This **one-page** summary budget must include only income and expenses for the requested grant period years and condense the Line-item Budget into larger categories according to the guidelines.

Budget Narrative: This narrative must include written explanations (a sentence or two for each line item) for the calculations for each budget line.

Letters of Support (where applicable): If the proposed program involves other collaborating organizations, letters of support from the leaders of the other organizations should be submitted.

Copy of Organization's Current Year Operating Budget: The operating budget submitted with the proposal must be for the organization's current fiscal year at the time of the proposal's submission.

Copy of Organization's Annual Audited Financial Statements: The annual audited financial statement should be for the organization's most recently completed fiscal year. The financial statements should include a balance sheet, income and expense statement, and any footnotes that provide an accurate assessment of the financial condition of the organization. If the organization does not have audited financial statements, it may submit with its proposal reviewed financial statements conducted by a certified public accounting firm.

Exempt Status and Charity/Foundation Status Information Form: This form, which is provided on the Endowment's website, is used to verify the organization's tax status as a qualified recipient of grants from private foundations such as Lilly Endowment. The organization must check a box in Section 3 of the form to reflect the organization's status as a church (including a convention, association or integrated auxiliary of a church), school, publicly supported charity, etc. The organization's status may be located on an Internal Revenue Service exempt status determination letter, as indicated in Section 3 of the form and as described below.

Copy of Internal Revenue Service Exempt Status Determination Letter: Most churches and public charities (including regional judicatories and church networks) that are qualified recipients for grants from private foundations will have received a tax-exempt status determination letter from the Internal Revenue Service (IRS). This letter provides verification of the organization's status as a 501(c)(3) organization and indicates the section of the tax code under which the organization's public charity status has been established. Some regional judicatories or church networks may not have asked for or received such a letter from the IRS. If that is the case, the judicatory or church network should determine whether it is listed in the group exemption ruling for a denomination or other charitable organization. If so, the judicatory or church network should attach evidence that it is covered by the ruling (For example, by sending copies of the directory cover and the page on which the judicatory or church network is listed in the official directory of the denomination or charitable organization.) No grants will be awarded until the proper tax status is confirmed.

Submission Guidelines and Checklist

Proposals must be submitted by July 1, 2027, through the Thriving Congregations Online Proposal Submission Form on the initiative's Sustainability and Scaling grants webpage. Proposal materials must be combined into a single PDF and organized in the order listed below. The Endowment anticipates announcing grant awards in fall 2027.

- ☐ Official Request Letter (one page)
- ☐ Information Form (provided on the webpage linked above)
- ☐ Executive Summary (not to exceed one page)
- ☐ Proposal Narrative (not to exceed 10 pages, single spaced)
- ☐ Program Timeline (one page)
- ☐ Line-Item Budget (Guide to Budget Preparation is provided on the webpage linked above)
- ☐ Summary Budget (one page)
- ☐ Budget Narrative (see Guide to Budget Preparation)
- ☐ Letters of Support (where applicable)
- ☐ Copy of Organization's Current Year Operating Budget
- ☐ Copy of Organization's Annual Audited Financial Statements
- ☐ Exempt Status and Charity/Foundation Status Information Form (provided on the webpage linked above)
- ☐ Copy of IRS Exempt Status Determination Letter

To schedule a meeting to review your ideas and ask any related questions, please contact:

Chanon Ross	Sasha Mehringer
Program Director, Religion	Administrative Assistant, Religion
rossc@lei.org	mehringers@lei.org
317-916-7372	317-916-7350