

# Lehigh Valley Synergy Fund

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*Promoting and Supporting Nonprofit Affiliations in the Lehigh Valley*

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## The Opportunity

The Lehigh Valley Synergy Fund is a collaboration between the Lehigh Valley Community Foundation and the United Way of the Greater Lehigh Valley. With 1,400 nonprofits in the Lehigh Valley, 87% with a focus on human services, the Lehigh Valley Synergy Fund encourages a spirit of collaboration and partnership in the Lehigh Valley. The challenges facing nonprofits today are of greater magnitude than ever before. To thrive in this environment, not-for-profit organizations must work together through collaboration and/or affiliation to best serve their direct clients and the entire community. The Synergy Fund offers help to organizations interested in pursuing this path in partnership.

## Exploring Strategic Partnerships

Lessons from the Field

- Nonprofit affiliations and mergers happen best naturally, without being forced or pressured.
- Up-front costs of affiliations and mergers can be expensive, especially when it comes to things such as IT integration.
- Use of consultants in the process will provide the legal, financial, personnel, and procedural issues related to affiliations, along with a proven track record in helping agencies address these challenges.

## Types of Available Grants

For organizations considering or that have decided on a strategic partnership. Grants require a contribution to the affiliation, in kind, in cash, or in staff time, on the part of each participating organization. Partnerships are encouraged, but not required, to apply for each grant stage in progressive order, beginning with the technical assistance grant.

- **TECHNICAL ASSISTANCE GRANT.** Apply for up to \$5,000 for an opportunity to work with a “preferred vendor” list of skilled and credible consultants to facilitate this first stage of partnership exploration. Final result, if successful, will be a non-binding Memo Of Understanding (“MOU”).  
*Time to complete technical assistance grant stage: 60 days from approval of grant.*



- **DILIGENCE GRANT.** Apply for up to \$10,000 for an opportunity to work with a “preferred vendor” list of skilled and credible consultants to facilitate a due diligence process. Following the diligence process, a binding MOU is required to enter the implementation grant stage.

*Time to complete technical assistance grant stage:* 90 days from approval of grant.

- **IMPLEMENTATION GRANT.** Apply for up to \$25,000 to be used to offset fees and additional costs to help finalize the merged organization.

*Time to complete technical assistance grant stage:* One full year from approval of grant.

## Examples of Nonprofit Affiliations

The Synergy Fund is intended to support several types of affiliations between nonprofit organizations, not exclusively for the intention of a merged organization.

The following types of affiliations will be considered and are defined within the Frequently Asked Questions.

- Merger
- Consolidation
- Acquisition
- Federation
- Joint Venture
- Management Company Model
- Joint Membership Programs

## WHAT FUNDS MUST BE USED FOR

Facilitation of affiliations in the nonprofit sector, including:

- Legal fees
- Consulting fees
- Outplacement services
- Integration of technology, fundraising or other functions

NOTE: Grants will be given based on invoices submitted to the Synergy Fund after the grant application is approved.



## GRANT ELIGIBILITY CRITERIA AND APPLICATION SUBMISSION

If you are interested in pursuing this grant opportunity, please submit the following information:

- Letter of interest from all interested parties, which should contain the following:
  - Signatures from the Board President and the Executive Director of each organization. Any exceptions can be explored by contacting Marc Rittle at the United Way.
  - Type of affiliation anticipated.
  - Specific reasons for affiliation, such as expected efficiencies, benefits to the community, or improved delivery of services.
- Affiliation budget, including in-kind costs and cash contributions from each party. Please note that this is for application review only. Grants will be made based on actual invoices.
- Letter of determination of 501(c)[3] status from the IRS.
- Financial documentation requirements from **each** party:
  - An agency with an annual budget of \$750,000 or more is required to submit the most recently completed independent audit **and** 990.
  - An agency with an annual budget between \$200,000 to \$750,000 must submit the most recently completed independent accountant's review or audit **and** 990.
  - An agency with an annual budget between \$100,000 to \$250,000 must submit the most recently completed independent accountant's review, audit, or compilation **and** 990.
  - Please note: If the agency has an annual budget less than \$100,000, then a completed independent accountant's review, audit, or compilation is optional. However, if you are not submitting this information, please include a short letter of explanation, along with the 990.

If your organization does not fit the eligibility criteria, but you are interested in the opportunity, or if you are interested but not sure how to partner, please contact Marc Rittle at the United Way at [marcr@unitedwayglv.org](mailto:marcr@unitedwayglv.org) to discuss your situation.

Submit completed proposals and all required supporting documentation **via email** to Megan Briggs at the Lehigh Valley Community Foundation at [meganb@lvcfoundation.org](mailto:meganb@lvcfoundation.org).

