APPALACHIAN IMPACT FUND: STRATEGIC GRANTMAKING PORTFOLIO

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OVERVIEW

The Appalachian Impact Fund is a component fund of the Foundation for Appalachia Kentucky targeted to community economic development in the coalfield counties of Eastern Kentucky. Using a blended capital model, AIF has the flexibility to make traditional general operating support grants while utilizing program-related-investments (PRIs) to advance opportunities in the region that support economic diversification and build community capacity.

Grantmaking Principles

- We honor community leaders as the experts who know their communities best; We listen to and trust local people and set our strategies and direction accordingly
- We know the challenges Eastern Kentucky communities face are large and universal, but that sustainable solutions are often small and local; We seek out locally-rooted solutions
- We know that to be successful, organizations need flexible and consistent grantmaking; We make general operating support grants and are committed to multi-year grantmaking
- We believe good grantmaking and due diligence processes can build and strengthen organizational capacity; We seek to set a standard of excellence in our due diligence process that signals AIF funded organization are a sound investment to other funders
- We cultivate philanthropic partnerships to bring new and more resources to the region and the organizations we fund; We actively work with philanthropic networks in and outside the region to find funding partners with shared values and interest areas

PROGRAMATIC DESCRIPTION

The Appalachian Impact Fund is a place-based social impact investment fund with a mission to advance opportunities in the region that support economic diversification and build community capacity.

We envision a day when Eastern Kentucky is a place of unique thriving local economies that enhance the existing natural and cultural assets of the region and offer economic opportunity for all people while keeping ownership, assets and wealth rooted in local communities.

Long-Term Outcomes Supported

- Increased investment in new economic development models and expansion of effective strategies
- Increase in number of new and retained jobs and businesses in the region
• Growth in key sectors in Eastern Kentucky including, but not limited to: local food and agriculture, arts, culture, energy efficiency, and tourism

**Funding Geography**

We currently have 5 priority geographies where we fund: Harlan County, Knott County, Leslie County, Letcher County and Perry County. We are open to funding outside those core geographies to support region-wide work or work that offers a model that can benefit our priority geographies when there is a compelling opportunity.

**What We Support**

Our grantmaking supports accelerating promising sectors and building community capacity including local leadership. We group our grantmaking in the three programmatic areas listed below with measurable outcomes.

**Geographically Anchored Communities**

We believe that in order to have thriving communities, our small towns and counties must be geographically anchored and provide opportunities for entrepreneurship and amenities that cater to both local life and visitor experience that support and promote the best of Appalachian Kentucky’s cultural and natural assets.

**Funding Areas:**

- Arts and Culture
- Downtown Revitalization
- Entrepreneurship and Entrepreneurial Ecosystems
- Sustainable Local Food and Agriculture Systems
- Sustainable Energy and Natural Resource Production
- Tourism Infrastructure

**Measurable Outcomes:**

- Jobs Created/Retained
- New Businesses Created/Retained
- Square footage Developed/Redeveloped
- Growth of key sectors
Workforce Empowerment

We believe that workforce development and retention is a critical part of creating economic opportunity. We focus our funding strategy on workforce empowerment. We define workforce empowerment as the services and assets that underpin a community’s ability to support a workforce.

Funding Areas:

- Affordable and Energy Efficient Housing
- Rural Childcare and Early Childhood Development
- Community and Business-driven Workforce Education

Measurable Outcomes:

- New homes
- New homeowners
- Earned energy savings
- Families and children served
- Jobs Created/Retained
- New Businesses Created/Retained

Locally Controlled Philanthropy

We believe that communities know best when it comes to identifying their challenges, needs, and the creative strategies and plans to solve for those challenges. We also believe that community controlled and directed philanthropy is one of the building blocks for creating healthy, vibrant and sustainable local communities in rural places.

Funding Areas:

- We support the Foundation for Appalachian Kentucky and work in close partnership with their staff and board to align regional strategies and meet shared influence goals
- Through our grantmaking and thought partnership, we support the work of the geographic component funds of the Foundation for Appalachian Kentucky and help leverage additional resources that can be directly controlled by local community leadership

Measurable Outcomes:

- Expansion of new FAKY geographic component funds
- Growth of existing FAKY geographic component funds
- Increased awareness and funding to support the core operations of the Foundation for Appalachian Kentucky
How We Make Grants

AIF employs an integrated capital approach to our grantmaking and investment portfolios. We think about the overall community economic development ecosystem in the region and layer grants and investments accordingly for greater collective impact.

Currently, applications for AIF funding are on an invite-only basis. After initial contact with AIF staff and determined fit with the programmatic priorities, AIF staff can invite grants from organizations who then fill out a written application and are guided through a due diligence process of review. After completion of that due diligence review process, AIF staff create a staff recommendation for funding – or not- that goes to the board for final approval. Grants range from $5,000-$75,000 with a typical grant award being $50,000 for an anchor organization and $25,000 for a new or emerging organization. The AIF board meets on a quarterly basis. The board approves grants during the 2nd and 3rd quarters of the fiscal year unless there is a special need to consider grants in the 1st or 4th quarters. A limited number of mini-grants of $5,000 and below are awarded on a rolling basis throughout the year.

Organizations are most competitive when working collaboratively within the larger network of AIF supported organizations, when their work is situated within more than one of AIF’s programmatic areas with measurable outcomes, and when there are other funding partners at the table or willing to come to the table for match and leverage.

After reading the programmatic description and determining your organization’s viability for an AIF grant, you can contact AIF staff to set up an initial conversation.

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