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Connecting Faith-Based and Religious Organizations with Federal Grants and Other Assistance

Faith-based or religious organizations and houses of worship (e.g., churches, synagogues, mosques) frequently seek out federal and other assistance for various community services and projects. This In Focus provides congressional offices with an overview of selected grantseeking considerations and resources for these organizations.

In the past few decades, executive orders established multiple federal faith-based initiatives and offices to support religious organizations in delivering various social and community services. For example, see select executive orders under Presidents George W. Bush (2001), Barack Obama (2010), Joe Biden (2021), and Donald Trump (2025). Existing federal regulations also enable faith-based organizations to compete for federal funding and participate in federal programs on equal footing with other similar nongovernment organizations (for example, see the multiagency federal rule “Partnerships with Faith-Based and Neighborhood Organizations”).

Terms of Funding, Eligibility, and Nonprofit Status

Rules on Federal Funding and Religious Activity

Under federal law, faith-based organizations are generally eligible for funding on the same terms as other entities. At the same time, federal statutes, regulations, or constitutional limitations might prevent government funds from being used for certain religious activities. For instance, certain statutes prevent specific federal funds from being used for religious worship or instruction (e.g., 20 U.S.C. §1011k(c); 34 U.S.C. §12161(b)(B)(iv); 42 U.S.C. §9920(c)). For an example of how one agency approaches this issue, see “What Are the Rules on Funding Religious Activity with federal Money?”

Interested organizations can check eligibility criteria and terms and conditions for federal or other funding program(s) before applying or entering into official grant agreements. (Terms and conditions might include nondiscrimination requirements or oversight obligations.) Additionally, since 2025, President Trump has issued multiple executive orders that may impact federal grants and other assistance to nonprofit organizations, including faith-based organizations.

Funding Mechanisms

Many nonprofit organizations, including houses of worship or other faith-based organizations, might be *subrecipients* of federal funds (i.e., they may not have grant agreements directly with federal agencies but rather with *prime recipients* of pass-through funds, such as state-level agencies). In other cases, faith-based nonprofits might be

eligible for federal funds administered directly from federal agencies. See CRS In Focus IF12910, *Searching for Federal Grants: An Overview of Resources*.

Tax Status Considerations

Religious organizations may consider the impact of their tax filing status on their ability to effectively seek grants or conduct other fundraising activities. See the Internal Revenue Service (IRS) page “Tax Information for Churches and Religious Organizations” and IRS Publication 1828, “501(c)(3) Tax Guide for Churches and Religious Organizations.”

The term *church* has a specific meaning for tax purposes that can include entities such as mosques and synagogues. Under the federal tax system, organizations that qualify as “churches” receive more favorable tax treatment than other tax-exempt organizations do. Churches, for example, are generally subject to fewer filing obligations and receive special procedural protections during audits. For in-depth information on federal tax benefits for churches, and the tax treatment of related charitable organizations (such as conventions and associations of churches, and integrated auxiliaries of a church), see CRS In Focus IF12520, *What Is a “Church” for Federal Tax Purposes?*; CRS In Focus IF12509, *Church Tax Benefits*; and CRS Report R48789, *Tax Issues Relating to Charitable Contributions and Organizations*.

A *determination letter* is a document from the IRS that *officially* recognizes a nonprofit organization as a tax-exempt organization. While faith-based nonprofit houses of worship can generally qualify for 501(c)(3) tax-exempt status under IRS rules even *without* official documentation, potential vendors, donors, and funders (including many government and nongovernment grantmakers) may require this letter as proof that the organization is a legitimate, tax-exempt organization. Houses of worship that have not obtained this letter may wish to review the specific requirements imposed by funders or the funding program(s) of interest. For guidance on incorporating as a nonprofit and obtaining an IRS determination letter, see “How to Start a Nonprofit” and “What Are the Legal Requirements for Religious Nonprofit Organizations?” State requirements may vary. (For example, not all states provide automatic nonprofit status to churches, and a church may need to officially file an application.) State-level associations for nonprofits may also be of some assistance.

Selected Resources for Faith-Based Organizations

Physical Safety/Security and Disaster Recovery

The Department of Homeland Security (DHS) Nonprofit Security Grant Program provides financial support on a competitive basis for physical security enhancements to nonprofit organizations at risk of terrorist attacks, including houses of worship. The grant is administered at the state level. Nonprofit organizations must apply through their state administering agencies.

For assistance following disasters, nonprofits (including faith-based organizations) may qualify for certain assistance if the President or a federal agency has declared the event a disaster. See CRS Report R48712, *Federal Disaster Assistance: An Overview of Programs*. For physical disasters that are *not* federally “declared disasters” (e.g., a limited-area fire event), religiously affiliated or local relief/aid organizations might provide guidance.

The DHS Center for Faith serves as an information clearinghouse for faith-based organizations. See also the DHS article “Protecting Houses of Worship Resources” and the online course “Active Shooter: What You Can Do.”

Historic Preservation

If a property or structure is historic in some demonstrable way, certain federal assistance programs (such as federal preservation grants, tax credits, and other benefits) may be available. The Historic Preservation Fund, administered by the National Park Service, is the primary source of federal funding for preservation work to states, tribes, local governments, and nonprofit organizations. Funding may be provided to a religious property if the purpose of the grant is “secular” and “does not promote religion” (54 U.S.C. §302905). The National Park Service also awards competitive grants for historic preservation projects. See CRS Report R45800, *The Federal Role in Historic Preservation: An Overview*.

The National Trust for Historic Preservation also provides various grants for preservation-related projects, including a grant for Preserving Black Churches and the National Fund for Sacred Places.

Food Assistance

CRS Report R48124, *Connecting Charitable Food Assistance Organizations to Federal Funding Information and Resources*, and CRS Report R42353, *Domestic Food Assistance: Summary of Programs*, provide potential funding sources for food assistance. See also the U.S. Department of Agriculture Center for Faith’s office, events, and resources.

Housing

See the U.S. Department of Housing and Urban Development’s (HUD’s) page on Center for Faith, including the guide HUD Grants (Partial List). See also CRS Report RL34591, *Overview of Federal Housing Assistance Programs and Policy*.

Health, Mental Health, and Substance Use

The Department of Health and Human Services’ Center for Faith and Resource Center provide “Toolkits, Guides, and Resources for faith-based entities” on “mental health, suicide prevention, substance use disorder, maternal health, and similar topics.”

The Substance Abuse and Mental Health Services Administration (SAMHSA) provides the informational pages “Faith and Community Engagement” and “For Community Faith Leaders.” A 2026 “Dear Colleague” letter says the Administration for Children and Families and SAMHSA “welcome full participation from faith-based organizations in their programs and activities.” See CRS Report R46426, *Substance Abuse and Mental Health Services Administration (SAMHSA): Overview of the Agency and Major Programs*.

Building Repairs, Improvements, or Maintenance

Religious organizations might be eligible for federal funding to run various social supportive services or community programs. Generally, federal funding cannot be used to acquire, construct, or rehabilitate a structure used as a principal place of worship. Houses of worship in need of general renovations or repairs might explore funding options from organizations, associations, federations, societies, circles, or auxiliaries affiliated with their particular faiths or denominations and/or other nongovernmental funding resources. For example, the Catholic Extension Society provides funding for certain facility projects. These faith- or denomination-allied entities might also be sources of funding for other types of non-construction community projects.

For building projects related to energy efficiency, North Carolina State University maintains a searchable database of state incentives.

Other Federal Agency Centers for Faith

Several other federal agencies have Center for Faith offices, such as the Department of Veterans Affairs, Department of Labor, and Small Business Administration.

Additional Selected Funding Resources

Candid provides information on foundations, including guidance, proposal writing, and an online library of instructional articles, blogs, and videos on fundraising, crowdfunding, corporate giving, giving circles, and other topics. See the article “Can Religious or Faith-Based Organizations Apply for Foundation Grants?” Grantseekers might wish to identify nearby libraries that provide free access to Candid resources.

Community foundations may be especially useful for local projects. See the Council on Foundations’ Community Foundation Locator (by state). See also the Grantsmanship Center’s funding resources (by state).

Additional CRS guides: CRS Report RL34012, *Resources for Grantseekers*; CRS In Focus IF12910, *Searching for Federal Grants: An Overview of Resources*; and CRS Report RL32159, *How to Develop and Write a Grant Proposal*.

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