



Program Related Investment

APPLICATION GUIDELINES

A **Program Related Investment** (PRI) provides an opportunity for organizations to access low-cost capital from Grand Rapids Community Foundation for charitable purposes. The Community Foundation will invest in projects that meet a social purpose and align with our priorities but that will be repaid to the Community Foundation, allowing for reinvestment in the community.

GENERAL GUIDELINES

- The applicant may be a nonprofit, L3C or (low-profit limited liability corporation), a certified B Corporation, or an intermediary organization, but must have an identifiable source of income or asset base for repaying the Community Foundation's investment.
- Address one of our grantmaking priorities AND be able to track results that match at least one of our measurables. Visit www.grfoundation.org/grants for more information.
- Be able to demonstrate inclusive practices leading to diversity of race and ethnicity, sexual orientation, religion, ability and gender in their boards, staff and constituents.
- Have the support of its board of directors and executive director for the project.

APPLICATION PROCESS

- The first step is to submit a brief pre-application (rather than an unsolicited proposal or phone call.)
- There is no deadline for the pre-application; they are reviewed throughout the year.
- A pre-application should be submitted **at least 90 days** before the proposed start of your project.
- If your pre-application is approved, you will be asked to submit a full proposal.

IN ADDITION

- Investments may range between a minimum of \$25,000 and a maximum of \$1 million.
- The identifiable sources of repayment could be rental income, income from business activities (from sale of services, products or other assets), repayment from loans or equity investments made by the investee (e.g. in the case of investments with lending institutions or other financial intermediaries) or royalties received by the applicant from licensing intellectual property or other assets. If there are concerns regarding how secure or sufficient the sources of repayments might be, the investment could be further secured by a guarantee from a financially stronger entity.
- Repayment terms and schedules are negotiable, but the length of the investment period is anticipated to be no longer than five to seven years.
- Preference will be given to investment in entities with a prior track record of repaying invested capital and/or entities led by a management team with such experience.
- Investees will be expected to pay closing costs equal to legal fees incurred by the Community Foundation, and particularly for direct investments, a portion of the Community Foundation's transaction costs, as appropriate.
- Investees will be asked to provide periodic financial reports and to report on social returns or program impact at least annually.

WHERE TO APPLY

Applications are submitted online through Grant Central, Grand Rapids Community Foundation's online application system. To begin a pre-application, go to <https://grantcentral.smartsimple.com>.

QUESTIONS? Contact us at 616.454.1751 or email grantcentral@grfoundation.org.

APPLICATION QUESTIONS

In addition to completing the application online, applying organizations must also verify their organizational profile is complete and up-to-date in Grant Central. Please note that application questions are subject to change.

PRE-APPLICATION

1. Which of the Grand Rapids Community Foundation's priorities will the project address? (select *one* of the following):
Engagement Environment Health Neighborhood Prosperity Education—By Invitation Only
2. Grand Rapids Community Foundation is committed to creating a community that is diverse, inclusive, and racism-free. We expect our grantees to share in this commitment. Please review our Grantee Inclusion Statement. If selected to submit a full proposal, we will request additional information regarding your organization's diversity and inclusion practices.
 - a. The applying organization's leadership has reviewed and agrees to the terms of the Grantee Inclusion Statement. (Yes/No)
 - b. The applying organization has a diversity and inclusion plan, policy or statement. (Yes/No/In Development)
3. Briefly explain why your agency is requesting the loan, what outcomes you hope to achieve, and how funds will be used if the loan is made (300 words or less).
4. What will be the measurable impact of this project? Select the indicator(s) you anticipate using to measure your impact.
5. How will the loan be repaid? Please include proposed term and interest rate, repayment terms, and security, if any.

Budget: Organizations will be asked to either upload their own budget or manually enter the project budget in the application.

FULL PROPOSAL

Narrative

1. Please provide a statement of needs/problems to be addressed and a description of target population and how they will benefit.
2. Please acknowledge similar existing projects or agencies, if any, and explain how your agency or proposal differs, and what effort will be made to work cooperatively.
3. Describe the qualifications of key staff and volunteers that will ensure the success of the program. Are there specific staff training needs for this project?
4. Proposed term of loan (in years) and proposed interest rate.

Please note: Additional questions specific to your proposal may be added to the application.

Diversity & Inclusion

1. How does your organization strive to insure that diverse populations have access to and feel welcome at programs offered by your organization? Please include staff, board and clients served in the response. (200 words or less)
2. If your organization has a documented diversity and inclusion plan, policy or statement, please attach [in the application].

Budget - Provide the following documents:

1. The organization's Year-to-Date Budget to Actual and Prior-Year Budget to Actual Revenue and Expenses.
2. The most recent annual financial audit. If an audit is not available, a certified financial statement may be submitted.
3. Management letter (if not already included in the audit).
4. An updated project budget (if different from the budget provided in pre-application).

Demographics

Please provide gender identity and racial/ethnic identity demographic information for the Board, Staff and Clients.