



Impact Loan Readiness Self-Assessment

Below are the 6 C's of Social Credit, core considerations reviewed in an application for an impact loan. This tool is meant to guide self-reflection on key questions to assess your readiness to borrow. Achieving a check mark in every box isn't a requirement to apply. We are glad to have conversations with organizations at different stages in readiness.

✓ Sign of readiness

○ More details needed

✗ Adjustments needed

CAPACITY **Your capacity to repay the loan.**

What is your repayment plan?

<i>We have committed funding (grants, donations, other financing) we will use to repay</i>	✓
<i>We are scaling up proven operations that will generate new revenue or create cost savings</i>	✓
<i>We have created a fund development or campaign plan with identified sources of support</i>	✓
<i>We anticipate we can repay with our normal operating income over the long term</i>	✓
<i>We are currently developing a fund development or campaign plan</i>	○
<i>We are piloting a new venture and projected revenue will allow us to repay</i>	○
<i>We have a grant that is ending, and we aren't yet sure how we will recover or replace it</i>	✗
<i>We do not have a specific project in mind, or know which funds we would use to repay</i>	✗
<i>We plan to pursue grants from Calgary Foundation to repay the loan*</i>	✗

*Loans and grants from CF can often both support transformational projects. Loan repayment shouldn't rely on a grant; each plays its own role.

How resilient is your ability to repay?

<i>Our projection of available cash (from annual operations and grants, donations), is more than projected repayments of interest and principal, with some buffer (~20%)</i>	✓
<i>Our projection of available cash is less than projected repayments of interest and principal</i>	✗
<i>Our operating cash reserve of 6 months to 1 year or more could be used for debt payments</i>	✓
<i>Our operating cash reserve of less than 6 months could be used for debt payments</i>	○
<i>We have multi-year pledged funding formalized through signed agreements</i>	✓
<i>Our funding is diversified, and would remain stable if support from 1-2 key funders changed</i>	✓
<i>Our funding is dependent on 1-2 main funders without long-term commitments in place</i>	○

COLLATERAL **Your assets pledged as security in the event of default.**

<i>We have property or other assets, such as an endowment, we can pledge as collateral</i>	✓
<i>We have a supporter or partner entity willing to serve as a guarantor</i>	✓
<i>The value of the collateral we can pledge is more than the loan, with some buffer (~20%)</i>	✓
<i>The value of the collateral we can pledge is less than the loan</i>	○
<i>We will be seeking an unsecured loan, without any pledged collateral</i>	○

CAPITAL **Your current and historical financial health.**

<i>We have maintained generally stable operating income for the past 5 years</i>	✓
<i>We are debt free, or currently hold minimal other debt</i>	✓
<i>We have successfully managed debt in our recent financial history</i>	✓
<i>If repayment depends on donations, we've had historical success in fundraising</i>	✓
<i>We are investing our own equity in this project, not relying solely on debt</i>	✓
<i>We have experienced some turbulent financial health</i>	○
<i>We hold significant other debt (current or long-term)</i>	○
<i>We are looking to borrow to avoid bankruptcy</i>	✗

CONDITIONS **External factors that might affect your plans.**

<i>Our plans could be impacted by upcoming political decisions (ex. change in legislation)</i>	○
<i>Our project is contingent on external factors to move ahead (ex. funding from a partner)</i>	○
<i>Our revenue has been impacted by COVID-19, making it difficult to be certain of projections</i>	○

CHARACTER **Your experience and readiness for credit.**

Does your board support taking on debt?

<i>Our board supports borrowing funds, or the organization is an experienced borrower</i>	✓
<i>Our board is unsure about borrowing funds, or doesn't yet know we are considering it</i>	○
<i>Our board is not supportive of taking on any new debt</i>	✗

Do you have a team in place to manage the loan and the project?

<i>Our staff and board have diverse skills and experience to manage the loan and project</i>	✓
<i>We plan to hire the talent needed for this project as part of receiving this loan</i>	○

Do you have adequate controls in place?

<i>We have a strategic plan, and regularly report progress to our board and other stakeholders</i>	✓
<i>We measure and publicly report on the community impact of our work</i>	✓
<i>We have a robust organizational budget and financial plan for the project</i>	✓
<i>We regularly produce internal financial reports (balance sheet, profit loss statement)</i>	✓

COMMUNITY **The transformational community impact you hope to achieve.**

<i>Our track record demonstrates reach and capacity to drive change in the community</i>	✓
<i>We expect this project will address a major issue and serve a great number of people</i>	✓
<i>We can demonstrate how we incorporate principles of equity into our work</i>	✓
<i>We address vital priority area(s): Reducing poverty; Encouraging mental health; Living a creative life; Strengthening relationships with Indigenous communities; Pursuing an environmentally sustainable future.</i>	✓