

# Impact Investing Guidelines

## CONTACT

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## ABOUT IMPACT INVESTMENTS

Impact Investments provide debt financing to Calgary and area<sup>i</sup> charities and non-profit organizations working in all parts of the community<sup>ii</sup>. The program:

- Augments investments from traditional financial institutions, or
- Provides investments to organizations with credit capacity, but who are unable to secure financing from a bank or other financial institution.

Calgary Foundation offers flexible terms and repayment plans at rates proportional to risk.

## WHO CAN APPLY

Charities and non-profit organizations with investment opportunities are invited to contact Calgary Foundation's Impact Investment Associate to discuss their initiatives. Ideal investments:

- Provide measurable benefits to the Calgary and area community by advancing the Calgary Foundation's mission, vision and priority areas;
- Demonstrate a feasible repayment plan with financial return proportional to risk;
- Demonstrate readiness, good planning, financial accountability, and secure leadership; and
- Have a proven track record of stable unrestricted revenue sources such as earnings from programs or services and donations from individuals.

## INVESTMENT PROCESS

1. Preliminary financial assessment by the Impact Investment Associate.
2. Proposals are reviewed by the Impact Investment Committee.
3. Potential investees are invited to present their opportunity to the Impact Investment Committee in person.
4. Decisions are announced and investees sign agreements with financing terms.
5. The Impact Investment Associate checks in at regular intervals.

## HOW TO APPLY

Contact investment staff to discuss the opportunity. The selection process has three phases: a meeting with the Impact Investment Associate to discuss the investment opportunity, a written proposal and a presentation to the Impact Investment Committee.

## **PRELIMINARY DISCUSSION**

Investment staff and potential investees will discuss the community impact of the investment opportunity and work together to conduct a preliminary financial assessment.

## **THE WRITTEN PROPOSAL**

After the preliminary discussion, potential investees may be invited to submit a proposal to the Calgary Foundation. Applicants complete the proposal available on Calgary Foundation's online submission portal (<https://CalgaryFoundation.org/GrantsAwards-Loans/Impact-Investing/>). The proposal provides:

- A brief description of the applicant organization, the cause for which it works and its target audience.
- A description of the investment opportunity including cash flow forecast for the term of the loan with clear assumptions, a list of partnerships, a timeline, and a plan for risk mitigation.
- An outline of the investment's community impact and outcomes with a plan for tracking and measuring impact and outcomes.
- The applicant organization's audited financial statements for the past five years,
- Brief biographies for members of the organization's leadership team,
- A board of director's list with name, role, length of service and profession, and
- An organization chart that includes staff, volunteers and reporting relationships and identifies whether any roles are vacant.

Applicants are encouraged to provide any additional material that they believe may be helpful such as strategic plans, feasibility studies, marketing plans, operation documentation, etc.

## **THE PRESENTATION**

Organizations may be invited to present their proposals to the Impact Investment Committee. Staff will work with applicants to arrange presentations (about 40 minutes in duration).

## **TERM AND LEGAL DOCUMENTATION**

If selected for investment, debt terms are negotiated and set on a case-by-case basis. A legal agreement is prepared and signed by all parties involved in the transaction.

## **HOW INVESTMENTS ARE SELECTED**

Calgary Foundation's volunteer Impact Investment Committee assesses impact investment opportunities. The Impact Investment Committee is composed of board members and community leaders' diverse backgrounds in charitable work, community building, and finance.

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<sup>i</sup> Calgary and area includes: Calgary, Banff National Park, Canmore, Rocky View County, and the Municipal Districts of Big Horn, Foothills, Kananaskis and Wheatland and the surrounding First Nations.

<sup>ii</sup> All parts means to benefit one or more aspects of the community such as: Arts and Heritage, Community Connections, Environment and Animal Welfare, Lifelong Learning, Living Standards, Thriving Population and Wellness