

I. Scope of this Policy

This Local Impact Investing Policy (“Policy”) is issued by the Board (“Board”) of the Community Foundation of Grant County, Indiana, Inc. (“Foundation”) to create a mission-aligned local impact investing program (“Program”) to enhance Grant County’s quality of life and serve the broad-based community benefit of residents of Grant County. The Program will seek socially impactful investments that intentionally advance and address:

- a. Economic prosperity, especially opportunities to support innovation, entrepreneurship, and small business growth and development;
- b. Quality of life through improved and revitalized neighborhoods and community infrastructure;
- c. Access to opportunity, especially for systemically marginalized individuals, businesses and organizations and those overlooked by existing capital providers in the communities of Grant County.

The Program is designed to be consistent with the Foundation’s values of shared leadership, collaboration, innovation, and access to opportunity. The Foundation will regularly seek input from program participants, grantees, board members, donors, stakeholders, and those impacted by the Program and Foundation efforts.

II. Source and Use of Funds

Program investments may be made into nonprofits, businesses, and funds that measurably advance the mission of the Foundation and balance the Foundation’s financial needs, charitable mission, and public benefit purpose. To make Program investments, the Foundation may use:

- a. Gifts earmarked or designated for the purpose of local impact investing which will be placed in a board discretionary fund designated to the Program.
- b. Up to 10% of the Foundation’s endowed investable assets, as a portfolio allocation.

The Foundation may tolerate Program investments with lower financial return or higher levels of risk if such local impact investments generate commensurate mission-aligned community impact.

III. Governance

The Board will make Program policy and investment decisions including investment approval. The Board may amend this Policy both upon their own initiative and upon consideration of the advice and recommendations of committees and Foundation team. The Board may terminate the Program at any time. The Board will appoint a Local Impact Investment Subcommittee (“Subcommittee”), a subcommittee of the Innovation Committee (“Committee”).

The Subcommittee will conduct risk and impact analysis on proposed and existing investments, make recommendations on Program actions and policy, and regularly report on investment performance to Committee and the Board. The Subcommittee will have no fewer than five and no more than ten members, including the Chair of the Innovation Committee and a simple majority of members of the Board. The Subcommittee will include members with expertise relevant to the practice of local investing, including law, community finance, planning, real estate development, entrepreneurship, and/or inclusive community processes.

The Subcommittee will recommend, for Board approval, Local Impact Investment Guidelines (“Guidelines”). The Guidelines will include impact objectives, impact measurements, financial targets, impact and financial reporting processes, and underwriting and due diligence criteria. The Subcommittee may engage the Foundation team to source and assess investment opportunities and produce reports.

Once investments are approved, the Foundation team are authorized to facilitate any necessary agreements and processes to effectuate the investments under the oversight of the Board. The Foundation’s team will maintain detailed records on all investments and will produce financial and impact status reports for the Subcommittee, Board, and other Board-level committees, as applicable. The Foundation team may engage consultants and other partners with expertise in facets of local impact investing in accordance with existing policies and approvals for contracting with external consultants and other partners.

In the case of delinquent payments greater than 30 days or investment losses, the Foundation team will promptly notify the Subcommittee and Board of any potential impairment and appropriate responses. Any changes in investment terms or conditions, write-offs or collections must be reviewed and approved by the Board.

Board Adopted: December 10, 2021