

COMMUNITY FOUNDATION OF ST. CLAIR COUNTY POLICY ON MISSION INVESTING

Board Approved 8-22-17

STATEMENT OF PURPOSE

The Community Foundation's mission is to address our region's opportunities and challenges and help donors achieve their goals by connecting them with like-minded donors and partners striving to improve our quality of life and increase our regional vibrancy and prosperity. The Community Foundation believes this mission can be accomplished through a robust grantmaking program along with thoughtful mission-related investments.

DEFINITION

Mission investing is the use of Foundation assets with the intention of generating a measurable, social or community impact. Mission Investing can be an excellent complement to grantmaking and involves investments with both market-and below-market-rate returns. For the scope of our policy, our definition of mission investing will include;

- Program-Related Investments (PRI's): Generally loans made to other nonprofit organizations at zero interest or below market rates and may include partially forgivable terms.
- Mission-Related Investments (MRI's): Are assets from our invested pools that seek some degree of financial return along with a component of community impact that relates to the Foundation's mission and strategic priorities.

Both of these options above generally involve using funds outside of the Foundation's normal grantmaking budgets. Mission-Related Investing is not a replacement for grantmaking, but rather a compliment.

ASSET ALLOCATION

Mission-Related Investments will follow these terms and conditions:

- Will not exceed 5% of the total assets in the Main Investment Pool
 - No single investment may exceed 40% of the above number without prior approval of the full board
- Will fall within and under the approved range for Alternative Investments
- Shall be reported to the full board on a regular and timely basis and shall be clearly noted in investment reports and summaries

OVERSIGHT

- a. The Finance & Investment Committee shall have overall responsibility for adhering to the terms and conditions of this policy.
- b. Program-Related Investments (PRI):
 - i. Should generally originate through one of the Foundation's grantmaking committees. Any grantmaking committee is eligible to submit requests for PRI's.
 - ii. A written request for consideration of a PRI will be forwarded to the Executive Committee for review and action.
 - iii. The Executive Committee will confirm with the Finance Committee that sufficient funds are available.
 - iv. If sufficient funds are available, the Executive Committee will make the final determination. Their actions will be reported to the Finance Committee and back to the committee making the request.
 - v. Once a dollar amount or dollar range is approved by the Finance Committee, even if that amount has not yet been contractually obligated or paid out, that dollar amount shall count against the 5% total cap.
- c. Mission-Related Investments (MRI):
 - i. Require approval of the Finance Committee.
 - ii. The Finance Committee may from time-to-time delegate partial decision making authority to other Foundation committees, such as C3. Such delegation will specifically state an approved dollar amount or dollar range.
 - iii. Other committees wishing to pursue making MRI's must first seek approval and input from the Finance Committee. In such occasions, the Finance Committee will approve a dollar amount or dollar range. The Finance Committee may also delegate actual decision making to the requesting committee as long as other terms and conditions are met.
 - iv. Once a dollar amount or dollar range is approved by the Finance Committee, even if that amount has not yet been contractually obligated or paid out, that dollar amount shall count against the 5% total cap.