Nonprofit Loan Program
APPLICATION PROCESS
Updated November 2018

Step 1: Letter of Intent

Eligible organizations that wish to apply to the Nonprofit Loan Program must submit a Letter of Intent (LOI). This two-page document should include:

- A brief history about your organization that is applicable to the proposed financing
- Financial position of the organization (discuss reserve fund if applicable)
- Request for loan funding (amount and purpose)
- Source(s) of and plans for repayment

Also provide a detailed profit and loss statement.

The purpose of the LOI is for the nonprofit to provide brief documentation to show the viability of the project and the organization's ability to carry debt. If it is determined that the organization would be a viable candidate for the Nonprofit Loan Program, its representatives will be invited to submit a full application.

Submit your LOI and P&L statement in PDF format electronically to Ella Fahrlander, Vice President, Community Engagement, at ella@NoCoFoundation.org.

Step 2: Full Application

Organizations that are invited to complete a full application will do so online.

The application will require the organization to provide the following:

a) Detailed description of the project including:
- o The community need fulfilled by the project and anticipated community impact
- o Community support for the project including project partners, donors, foundations, and corporate support (both financial and in-kind)
- o Benefit to the organization from a capacity-building perspective
- o Demonstrated and detailed understanding of the project's benefit to the community and visibility of the project to the public

b) Detailed description of the project's cost and funding sources including:
- o Total cost of the project, total request from the Program, and other funding sources used to meet the total funding need
- o Identification of complete projects prior to closing. Detail the specific source(s) of funds that will be used to repay the loan, which may include pledges receivable. Documentation should include, but is not limited to:
  - ▪ The source(s) of funding for loan repayment (examples include signed guarantee, pledge forms, or a grant award letter from a federal, state,

county, or city government, or from a private donor or grantor such as a corporation or foundation)
- Projected cash flow statements that show the loan can be repaid
  - A guarantee of repayment from the organization's Board of Trustees, major donor(s), or other partner to strengthen the loan application.
  - Identified sources of collateral. Please see the Loan Program Overview for eligible collateral.

c) Detailed description of the strength of the organization and the current financial position including:
  - Description of leadership over the last 10 years, and if the organization had more than three Executive Directors, explain why
  - Five-year history of the organization's Board of Trustees
  - Description of donor database including specific software and use
  - Financial statements for the last three years (audited or reviewed by a CPA firm)
  - The ability to internally produce quarterly interim financial statements
  - How financial records are kept, including staffing and software
  - Approved budget for current fiscal year

In addition, organizations will complete the Income Breakdown Worksheet provided online, and the organization's Board Chair (or Authorized Officer other than staff) must authorize the loan request by signing the Full Application.

Step 3: Presentation
Organizations may have an opportunity to present their project to the Nonprofit Loan Program Committee ("the Committee"). Presentations should last no longer than 20 minutes, and an additional 20 minutes will be available for Q & A.

Step 4: Review Process
When the Committee reviews applications, it will consider the strength of the organization as outlined in step 2 section c above, the community impact of the project, and the organization's ability to repay the loan.
The Committee will make every attempt to make its recommendation to the Executive Committee, or request additional information, within 45 days of receiving a full application. If a loan is not approved within 90 days for any reason, the nonprofit may be required to supplement its application with updated information.

Step 5: Approval or Denial
The Committee will submit funding recommendations to the Executive Committee. Upon approval by the Executive Committee, applicants will be notified, and the loan will enter the legal review and the document preparation stages.

Step 6: Final Acceptance and Loan Closing
Once the loan terms are approved by the Executive Committee, the Community Foundation staff will prepare all necessary documents, including, but not limited to, Note and Security Agreement, Deed of Trust, Guarantees and Assignments. Funds are disbursed upon receipt of all required documents. Loans are administered by the Foundation's Accounting Department with the support of the Vice President for Community Engagement**.**