

Local Impact Investing Portfolio Administration

What is it?

As foundations adopt or scale existing impact portfolio strategies, they may encounter challenges such as invoicing for principal & interest payments, disbursing funds pursuant to an investment agreement, monitoring financial performance and insuring the intended social impact of these investments. LOCUS offers philanthropic institutional investors an “**infrastructure upgrade**” with regard to their impact investing portfolio management – allowing for easier covenant and compliance tracking, streamlined borrower interactions and more stringent financial performance monitoring.



What value does it provide?

LOCUS and VCC Bank - a regulated, FDIC insured CDFI bank - have the technical expertise in investment administration coupled with unmatched qualifications to effectively service and track the financial and impact performance of your mission-aligned investment portfolio. Our team has a proven track record of servicing over 700 impact loans with a very low charge-off ratio of .34%. Now we are putting our **regulated CDFI bank experience** to work so foundations can maximize impact and mitigate risk in their mission aligned investment portfolio through effective servicing, reporting and monitoring.

When is Portfolio Administration the right solution?

As foundations decide to put more of their capital to work locally to create positive impact and change in their communities, they often **face hurdles** in terms of their capacity. Foundation staff may not have the internal financial skills and operational expertise to provide ongoing impact investment portfolio servicing. For foundation’s facing portfolio management challenges, LOCUS can be a trusted partner to ensure investment compliance, monitor financial viability and report on social impact.

How has it been used most effectively?

Portfolio administration by LOCUS is most effectively used by **foundations seeking to mitigate their risk** through enhanced servicing, monitoring and reporting capabilities. LOCUS’ Portfolio Administration includes the following services: Boarding existing and new loans to our Core Loan Servicing Application; Billing, receipt and application of payments; Disbursing funds pursuant to the investment agreement; Tracking and receipt of Covenants and Compliance related documents; Tracking social impact data; Producing financial forecasting, delinquency reports, write-off reports, unused commitment reports, trial balance reports and remittance reports; Tracking covenant and compliance reports. LOCUS currently offers back-office support for over \$100M of socially-motivated investments for our clients – including The Kresge Foundation and Appalachian Community Capital.

How can I learn more about LOCUS?

To learn more about LOCUS’ solutions and tools, please contact **Sydney England** at sydney@locusimpactinvesting.org or at 804.793.0985.