Investing in the Future: Impact Investing by Nonprofit Organizations

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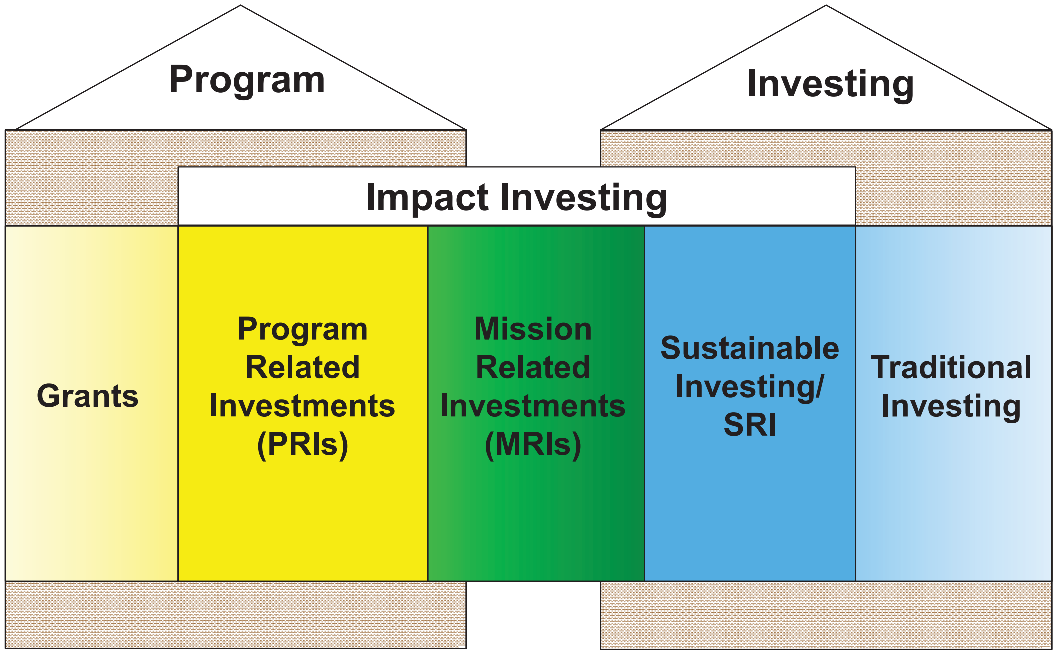
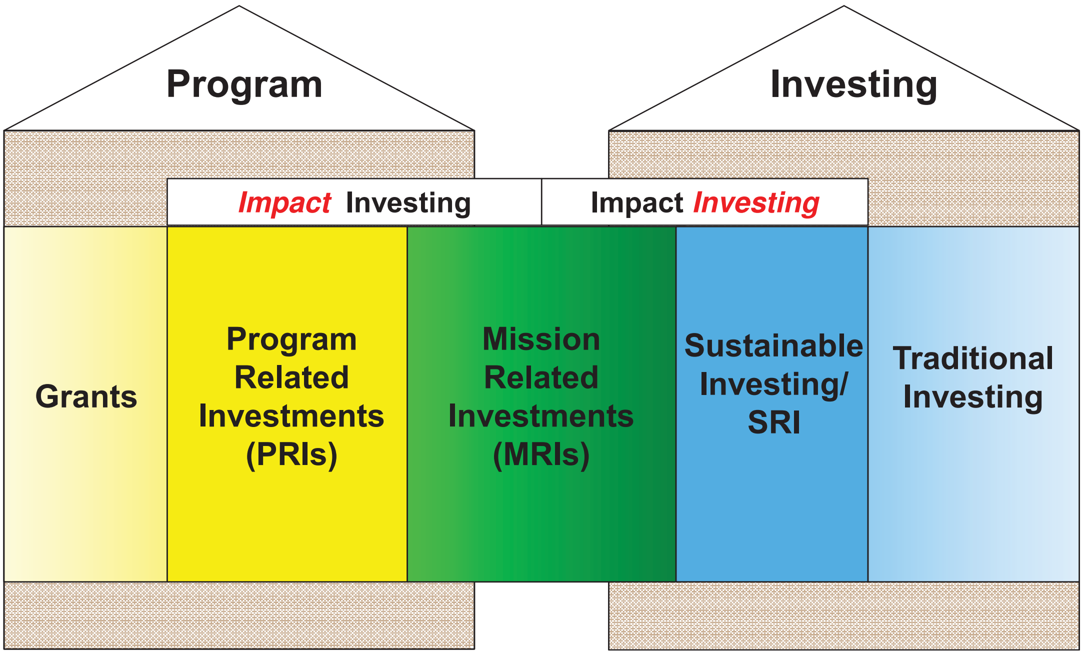
What is impact investing?

"Investments made into companies, organizations, and funds with the intention to generate measurable social and environmental impact alongside a financial return."

-- The Global Impact Investing Network ("GIIN")


Program
Investing
Impact Investing
Grants
Program Related Investments (PRIs)
Mission Related Investments (MRIs)
Sustainable Investing/ SRI
Traditional Investing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	Grants	PRIs	MRIs	Sustainable Investing	Traditional Investing
Impact	Must further charitable purposes, other restrictions	Primarily for charitable purposes, other restrictions	Charitable and financial purposes	Primarily for financial return, plus impact/ not harm	Often unknown (Impact not considered)
Financial Return	No return, principal lost	Generally below market	Market or below market	Generally market rate	Market rate returns
Tax/ Fiduciary Rules	Program distribution/ no UPMIFA	Program distribution/ no UPMIFA	Investment/ maybe UPMIFA	Investment/ UPMIFA	Investment/ UPMIFA
Recent Guidance		PRI Regs = new examples	MRI Notice 2015-62	DOL IB-2015-1, DOL IB-2016-1	

IRC Section 4944

- Section 4944 of the Internal Revenue Code imposes an excise tax on a foundation that makes a "jeopardizing investment" – an investment that jeopardize the carrying out of the organization's charitable purposes
  - Determination is made at the time of the investment, taking into account the entire portfolio
  - Jeopardizing investment is one in which managers did not use ordinary business care and prudence in making investment
  - Additional managers taxes may also apply
- Program-related investments are NOT jeopardizing investments

Title search: Investing in the Future: Impact Investing by Nonprofit Organizations

Also available as part of the eCourse
2018 Nonprofit Organizations eConference

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"Investing in the Future: Impact Investing by Nonprofit Organizations"