

IMPACT INVESTING MASTERCLASS: DESIGNING AN IMPACT PROGRAM AND NEGOTIATING DEALS


40th Annual Nonprofit Organizations Institute
January 19, 2023

Miranda Lindl O'Connell, Builders Vision
Brittany Cvetanovich, The Ohio State University


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SPEAKERS:

Miranda Lindl O'Connell serves as Senior Counsel of Impact Investments at Builders Vision. In this role, Miranda advises on the execution of investments primarily made by Builders Initiative and Builders Asset Management to maximize social impact. Miranda also supports the investment work of the broader Builders Vision ecosystem. Miranda has a true passion for impact investing that aligns with her extensive experience creating and investing in innovative investment vehicles and structures to achieve impact-oriented goals. Before joining Builders Vision, Miranda was a partner in private funds and a leader of ESG & Sustainability at Morgan, Lewis & Bockius LLP, a global law firm. She also served as office managing partner of their San Francisco office. Previously, Miranda also worked as the race director of the San Francisco Marathon.



Brittany Cvetanovich is Senior Associate General Counsel of The Ohio State University, with primary areas of responsibility in Advancement and tax matters. Brittany provides counsel on tax, charitable giving, trusts, endowment modifications, non-cash gifts, donor advised funds, unrelated business taxable income (UBTI), private fund investments and other alternative investment structures, and joint ventures and collaborations. Previously, Brittany was counsel at Ropes & Gray, where she focused her practice on matters for tax-exempt organizations and partnership tax issues. During her eleven years at Ropes & Gray, Brittany regularly advised tax-exempt organizations on formation, reorganization, joint ventures with for-profit entities, impact investments and impact sponsor formation, investment activities and partnership tax matters.



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MASTERCLASS AGENDA:

1. Governance and Regulatory Context
 - a) Governance
 - b) UPMIFA
 - c) Tax considerations
2. Core Deal Structures
3. Specific Investment Considerations and Documentation
 - a) Fund Investments
 - b) Direct Investments
 - c) Co-Investments

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1. GOVERNANCE AND REGULATORY CONTEXT

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GOVERNANCE

- How does mission related investing fit into the institution's existing governance structure and policies?
 - Investment policy
 - Governing body committee structure and bylaws/regulations
 - Conflict of interest policy
- Mission related investing combines "mission" and "investing"
 - Investment of institutional funds raises fiduciary duty issues
 - Mission aspect raises program and purpose issues

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FIDUCIARY ISSUES

- UPMIFA standard of care
 - "Institutional fund" vs. "program-related asset"
 - Prudence standard: Manage and invest institutional funds "in good faith and with the care an ordinarily prudent person in a like position would exercise under similar circumstances"
- Prudence standard includes eight factors
 - One factor takes into account "an asset's special relationship or special value, if any, to the charitable purposes of the institution"
- Delegation
- Diversification
- Background state law fiduciary duties of loyalty also apply

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First appeared as part of the conference materials for the 40th Annual Nonprofit Organizations Institute session "MASTER CLASS: Anatomy of an Impact Investment"