

Community Lifelines of Credit:

A line of credit designed specifically to meet the needs of your small charity.



**Supportive financing. Nurtured solutions.
Resilient Canadian communities.**

<https://caifoundation.ca>



@caifoundation



@CAIF_Canada



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Who We Are

CAIF (Canadian Alternative Investment Foundation) is a registered charity established with the express purpose of providing low cost flexible financing to registered Canadian charities.

Although the foundation is only 5 years old it has assets of \$4M and builds on CAIC's (Canadian Alternative Investment Cooperative's) three decades of experience as a social lender.

A few of our financing principles:

Equality

We appreciate that charities serving highly marginalized groups often face increased barriers in accessing financing. That's why we aim to make the loan application process more accessible. Our loans are for organizations that cannot get or afford traditional financing, no matter their stage of maturity.

Solidarity

We've designed our lending approach to be collaborative and patient, as we prioritize building supportive relationships with our partners. Importantly, we stand with our borrowers during the ups and downs. Confidence and mutual trust in our process means that many of our borrowers return to us for renewals and/or new loans.

Stability

While we are extremely respectful and approachable lenders, we are known for our due diligence. We pride ourselves on our thorough and transparent loan approval process. In fact, most borrowers find this application process as an impetus to be disciplined in making their business case, to think clearly about their requests, and develop a better understanding of the financial aspects of their operations.

Integrity

CAIF's mission is to invest in organizations that provide clear social benefit. However, we do need to invest in organizations that are likely to succeed. Specifically, we focus on 3 of the 5 C's of Credit (Capacity, Character & Conditions) and understand that our borrowers will have limited Capital or Collateral in most cases.

The Pilot: Community Lifelines of Credit



We are leveraging our endowment to provide guarantees so that our lending partner, VanCity Community Investment Bank, can provide lines of credit at favorable rates to small charities.

We recognize that it takes more than capital to strengthen the charitable sector. There is also a need for expertise and capacity building to ensure that capital is used for the maximum benefit of the borrower.

Line of Credit Parameters

- Lines of Credit can range from \$25,000 - \$50,000
- Borrowers Set Up Fees (\$250) paid by CAIF
- 5 year terms
- Interest is prime + 1.15%
- Only pay interest on balance outstanding
- Applicants need to be approved by CAIF
- Approval process should take no more than 45 days, from submission of application to accessing the line of credit
- Annual review by CAIF to stay in the program
- Vancity to provide line (secured by CAIF guarantee) and banking services
- Only available to Ontario-based registered charities



**35 years, 150+
loans, 100+ orgs,
\$20M.**

Now, the mission continues with the
Canadian Alternative Investment
Foundation.

Our experience over 35 years of impact investing has indicated that there is an unmet need for access to operating lines of credit in the charitable sector, especially for small organizations with limited assets. However, there is a reluctance by charities (especially small ones with limited financial expertise) to look to debt and loans as a solution to cyclical cash short falls.

Common scenarios we've seen that indicate a **need for a line of credit:**

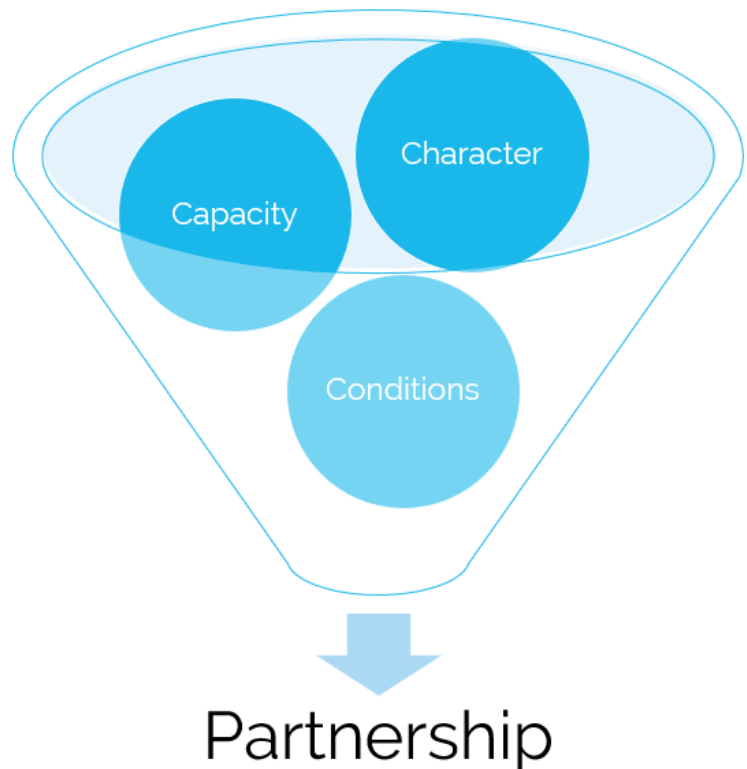
1. Payroll is withdrawn on the last Thursday of the month however the municipal transfer does not come in until the beginning of the following month.
2. Trillium grant was received for a project. Funding is 50% up front and 50% on completion. Project complete, reporting submitted, approval for final payment communicated meanwhile cash is running low.
3. Charity receives approval for Provincial funding to scale up their programming - the organization needs to hire new staff and demonstrate that the program is up and running before the funding starts.

Borrower Profile

This Line of Credit would be suitable for organizations that meet the following profile.

- Ontario based charity
- Small-to-mid size org
- Limited borrowing experience
- Rejected by conventional lenders
- Substantial reliance on donations & grants
- Time lags in receiving funding
- Uneven revenue patterns throughout the operating cycle

What does CAIF Look for in a Borrower?



See more about how we assess organizations on 3 of the 5 C's of credit in our, "How CAIF Assesses Credit Readiness" section.

We Understand Your Situation

Does this cycle describe the nature of your financial stresses?



We get it. It's tough to get the credit you deserve. That's where we come in.

We are committed to a partnership model throughout the application process and lending relationship. CAIF will support the borrower with mentoring, financial literacy and capacity building. From application to repayment we are here to help you succeed.

CAIF AS A PARTNER

Applying for a line of credit can be intimidating. As your partner we want to work with you to understand your financial needs. Our application asks some detailed questions that are designed to help us get comfortable with you and your organization.

Find out how you can take advantage of this financing solution and to use a working capital loan as a tool for growth, long-term stability and as a means of meeting your organizational objectives.

Pre-Application Checklist:

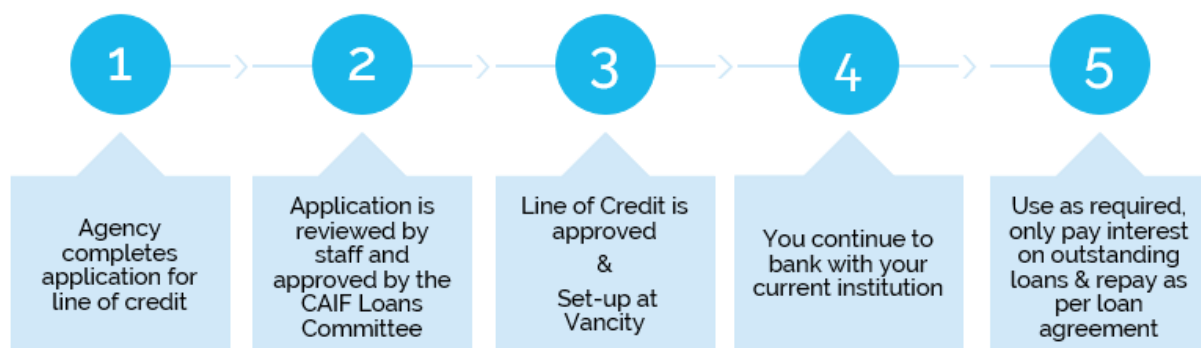
Our new application is accessed online. Before starting, we ask that you connect with us at CAIF first so that we can get to know a little more about you and your project. If we think it's a good fit and that you should apply we will provide you with the password to begin.

To get prepared, here are a few requirements we will ask you to submit with the application:

- Budget & cash flow projections for the current and upcoming year,
- and financial statements (audited or reviewed) for the last two years
- Most recent internal operating statement & balance sheet (within two months),

Accessing a Line of Credit

CAIF is not a bank and therefore does not have the infrastructure to logistically provide lines of credit. We are partnering with Vancity Community Investment Bank (VCIB) to provide these services.



The **Process**
is supported by CAIF with ongoing mentorship

If you're making
the world better,
**you deserve
credit.**

[#CommunityLifelinesofCredit](#)



CANADIAN ALTERNATIVE
INVESTMENT FOUNDATION