



Impact Investing Process Map



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Introduction

The Impact Investing Process Map helps community foundations (CFs) understand the process and documentation required to take a potential climate project from predevelopment to loan closing. This tool is best suited for CFs who are considering the capital provider role and have the technical capacity to undertake impact investing. If the CF already has an impact investing fund, there may be specific documents relevant for climate projects that must be taken into consideration to assess project eligibility and track the impact of climate goals. **This guide is for reference purposes only and provides an overview of the investment process, containing examples of necessary documents to build out underwriting capacity and organizational policies.**

Process Steps



Process Step		New Impact Fund Documents	Potential Roles for Your Organization
Predevelopment	Prescreening Inquiry	External Facing Product Sheet	Staff conduct early conversation with the borrower about initial project discovery. Staff share External Facing Product Sheets with potential borrowers and explain relevant climate project criteria.
		Internal Project Screener	Staff use an Internal Project Screener to assess initial project feasibility inquiry and submit a recommendation to the staff committee.
	Intake Form Submission	Initial Intake Form	If the project is deemed promising, the applicant is invited to complete the Initial Intake Form, which includes a Template Financial Statement to provide details on project climate scope, funding requirements, borrower financial strength, and anticipated impact.
		Template Financial Statement	
	Light Underwriting	Impact Assessment Criteria Scorecard	Staff review the submitted materials using the Impact Assessment Criteria Scorecard, assessing the project's climate scope elements, financial soundness, community impact, and charitable purpose.
Underwriting	Due Diligence and Internal Review	Due Diligence Checklist	Staff send the borrower a full Due Diligence Checklist request list. Staff use the Impact Rating Tool to assess climate impact, community impact, and measurement plans.
		Impact Rating Tool	
	Staff Committee Review	Credit Memo	Staff fill out and submit a finalized Credit Memo to the staff committee for approval. The staff committee reviews the due diligence findings, discusses potential risks and opportunities, and determines whether to advance the investment to the advisory committee for consideration.

Process Step		New Impact Fund Documents	Potential Roles for Your Organization
Closing and Disbursement of Funds	Advisory Committee Review and Approval	Full Investment Package	The advisory committee reviews the Full Investment Package, including: • Executive summary • Financial and impact analysis • Due diligence report • Proposed investment terms • Risk assessment and mitigation plan • Impact Rating Tool results The advisory committee votes to approve, modify, or decline the proposed investment.
	Legal Review and Execution	Loan Documentation	Upon approval, foundation staff, working with legal counsel, will finalize all Loan Documentation, including: • Investment agreements • Promissory notes or other instruments • Collateral documentation • Reporting and compliance requirements • Repayment schedules Once all requirements are met, the transaction is executed, and funds are disbursed. Note: Individual CFs may require the additional step of an institutional compliance review that may affect processes, approval and monitoring, as well as timelines.
	Closing	Loan Approval Notification Letter	When the project financially closes, staff pursuant to each committee's approval process and issue a Loan Approval Notification Letter to borrower signifying loan closing with a 90-day expiration.
Monitoring and Evaluation	Post Closing	Sustainability Impact Tracking	The foundation staff will maintain detailed records on all investments and produce regular financial and impact reports for the staff committee, advisory committee, and board. Impact investment progress will be shared at quarterly meetings with the investment and finance committee.
		Annual Reviews	
		Annual Portfolio Evaluation	
		Delinquency and Default Management	