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## **The Clark Foundation and Nonprofit Finance Fund Establish \$6 Million Working Capital Loan Fund for Nonprofits in Need**

Clark to Put Endowment Dollars to Work to Assist  
Cash-Strapped Grantees and the Communities They Serve

**New York – July 7, 2010** – The Clark Foundation has allocated \$2 million from its endowment to the Nonprofit Finance Fund (NFF) to establish a working capital loan fund for its grantee partners. The Foundation has partnered with NFF, through a program-related investment (PRI), to establish this new working capital loan fund. NFF will make an additional \$4 million available to Clark grantees and will administer the loans to qualified grantees.

This program-related investment is notable because it comes from the Foundation's endowment, not funds traditionally reserved for grantmaking. As the nonprofit sector continues to struggle amid economic uncertainty, leveraging foundations' dollars from their endowments could substantively increase the availability and impact of philanthropic dollars.

According to Jane Forbes Clark, President of The Clark Foundation, "the Directors of the Foundation wanted to respond to an issue that is seriously affecting nonprofits during these uncertain economic times." Doug Bauer, Executive Director of the Foundation, explained that there is an increased need for working capital due to the long gaps between when a nonprofit provider delivers services and when it gets reimbursed, mostly from government contracts. "The creation of this working capital loan fund can help alleviate the operational strain that many of our grantees are facing. They are attempting to meet an increased demand for their services while watching cash flow slow to a trickle due to delayed payments. Providing a loan

from our endowment makes sense, as it allows us to make an immediate positive impact on our grantees while preserving our core assets for continued philanthropic use,” Mr. Bauer said.

The Clark Foundation will realize a modest return on its investment into the loan fund that is similar to other conservative investment strategies, all while providing new access to needed capital for grantees delivering vital services to many communities in New York City.

“Nonprofits operate on razor-thin margins, and even strong organizations struggle to access the working capital necessary to grow and thrive,” said Clara Miller, President and CEO of NFF. “Cracking the corpus represents a sea change in terms of how philanthropy functions to support social impact, and holds tremendous promise as we increasingly look to the nonprofit sector to meet critical and ongoing community needs.”

NFF will begin making loans to The Clark Foundation’s grantees during summer 2010.

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### **About The Clark Foundation**

The Clark Foundation supports nonprofit organizations that help people out of poverty and lead independent lives in New York City. The Foundation also supports an array of educational, medical and cultural programs and organizations in and around Cooperstown, NY. Founded in 1931, it now ranks among the largest foundations in terms of assets and grants awarded in New York State and the country.

### **About Nonprofit Finance Fund**

A national leader in social sector finance, Nonprofit Finance Fund connects money to mission success through consulting, innovation, and direct investment. Founded in 1980, NFF ([www.nonprofitfinancefund.org](http://www.nonprofitfinancefund.org)) provides services that build the capacity and durability of nonprofits. A leading community development financial institution with over \$80 million in assets, NFF has provided over \$200 million in loans and access to additional financing via grants, tax credits and capital in support of over \$1 billion in projects for nonprofit clients nationwide. NFF has a staff of more than 75 serving nonprofits nationally from offices in New York City, Philadelphia, Newark, Boston, Detroit, Washington, D.C., San Francisco, and Los Angeles.