

PROGRAM-RELATED INVESTMENTS

RULES FOR PRIVATE FOUNDATIONS

*Below are several **due diligence questions** that you should consider before making the corresponding type of PRI.*

PRI LOAN

- How will the recipient repay the principal and interest?

PRI EQUITY INVESTMENT

- Does taking an ownership interest in the organization further the private foundation's charitable mission?
- When, if ever, will investors be able to sell or redeem their investment?

PRI LOAN GUARANTEE

- What are the terms of the loan being guaranteed?
- What is the process and what are the triggers for the loan being called to be paid by the foundation?
- Does the foundation and/or the lender require the borrower to hold reserves to cover the lender's loan in case the foundation's guarantee is called?

ALL PRI TYPES

- Does the recipient intend to use the funding to support a political campaign or engage in lobbying?
- Will the recipient be able to attract for-profit investors or conventional lenders on the same terms?
- What do you know about the organization (legal status, leadership, financial health)?
- How is the PRI recipient going to use the PRI?