Nonprofit Lending Landscape Analysis

John Summers, Managing Director
Michael Cohn-Geltner, Manager
Sasha Terris-Maes, Manager

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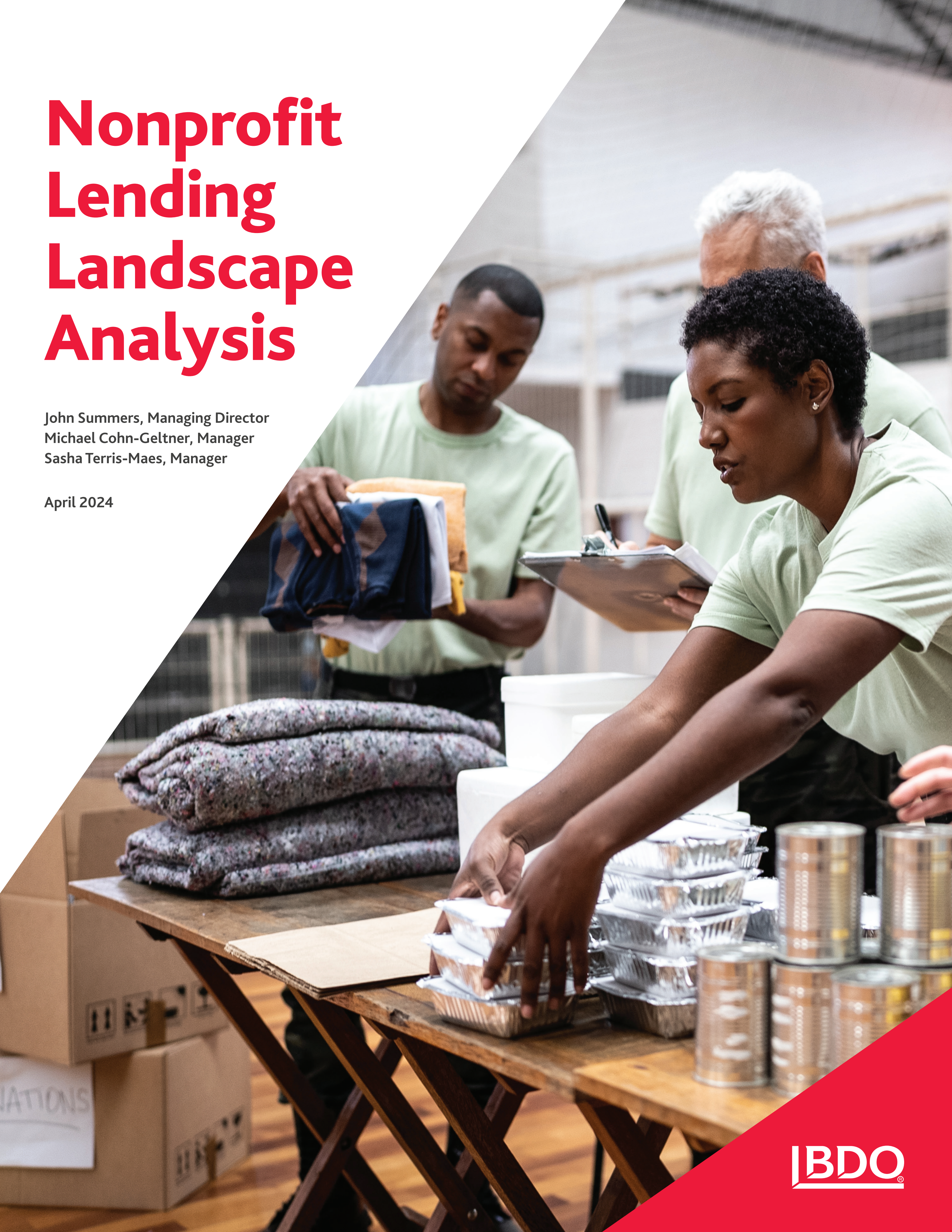

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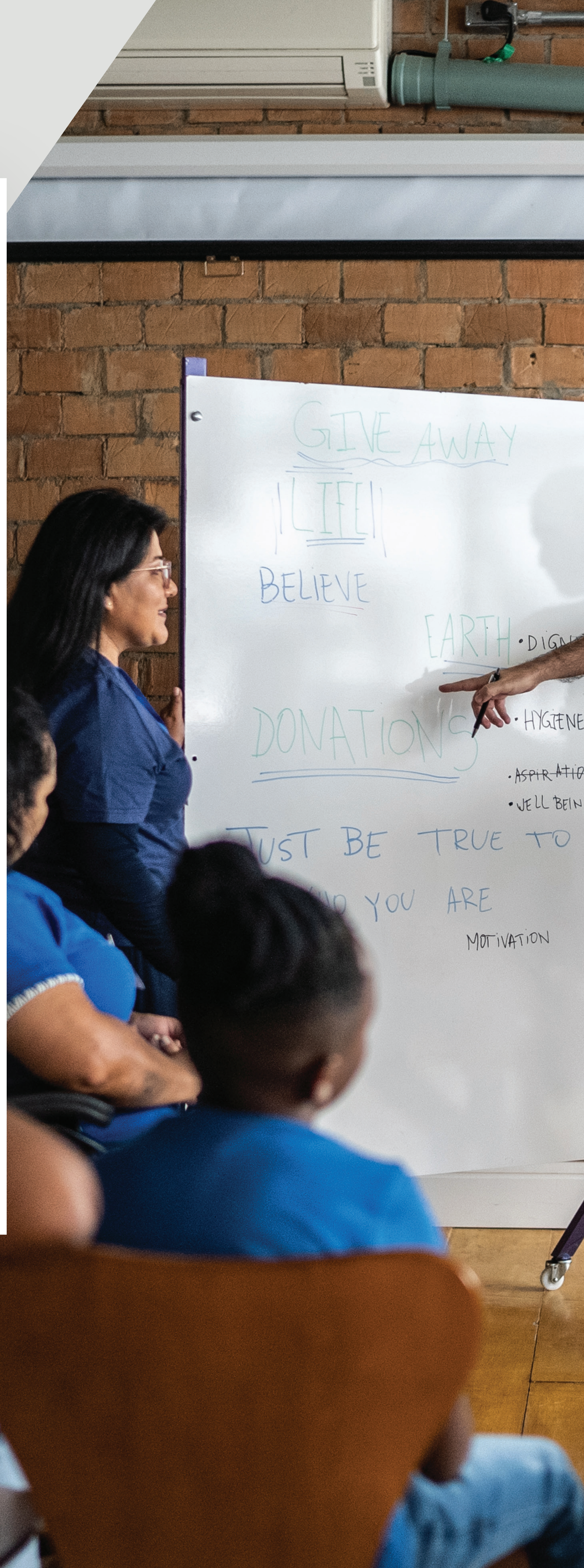

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Executive Summary

Nonprofit organizations delivering government-contracted services in New York City can sometimes face delays in receiving reimbursement for the services that they provide. These delays can result in cash flow challenges which, depending on the financial condition of the organization, may inhibit their ability to deliver services or lead to other operational challenges. In some cases, the only viable option for organizations in such a situation is to seek external working capital financing to manage the lag between service delivery and reimbursement.

A range of working capital financing options for New York City nonprofits exist, from commercial banks to nonprofit loan funds to foundations and funders with ad-hoc lending programs. This report outlines those options and what nonprofit leaders can expect in approaching each type of lender.

WORKING CAPITAL FINANCING OPTIONS FOR NONPROFITS

Options available to New York City nonprofits struggling with cash flow challenges due to delayed government reimbursements include:

- Contract advances from the city: **Once a contract is registered**, a nonprofit is eligible for a no-cost advance directly from the city worth at least 25% of the contract's annual budget.
- Fund for the City of New York (FCNY): FCNY has two programs designed to support organizations experiencing delays in payment on committed funds from government. The **Operating Loan Fund** provides short-term bridge loans to allow organizations to continue delivering services as they await payment on invoices or grants on **registered contracts**. Nonprofits with **unregistered contracts** can apply to the **Returnable Grant Fund,** which provides cash advances for nonprofit organizations waiting for city contracts to be registered.
- Beyond FCNY, there are a number of national and local nonprofit organizations and foundations whose missions include provision of capital to other nonprofits for purposes such as construction, program expansion, and working capital. These organizations include loan funds designated as Community Development Financial Institutions (CDFIs), as well as other nonprofits with (typically smaller) lending programs that may support working capital needs.
- Commercial banks generally make lending decisions on a cost-benefit basis with due attention to managing risk. This means that nonprofits seeking financing from commercial banks must be able to prove credit-worthiness and ability to repay, to the standards of the lending institution.

The report concludes with recommendations to nonprofit leaders on how to optimize their systems and processes for dealing with payment delays, including diversifying revenue, negotiating an indirect cost rate, and submitting reports and invoices efficiently.

Background

Mandated by city law and charter to provide a wide range of social services to its residents, New York City's government engages local nonprofits to deliver many of these services, including child care and youth development, housing and homeless services, and support to seniors.

City contracting with nonprofits proceeds in two stages. First, a contract is awarded to a nonprofit by a city agency, which establishes the scope, fees, and timeframe for the work. Then, per the New York City charter, those contracts must be "registered" by the New York City Comptroller's office. While contracts submitted to the Comptroller's office must be registered within 30 days of submission, there is no specified timeline for the submission of a contract from an agency to the Comptroller.[1] As a result, contracts may take many months (even well beyond the start date) to be registered. In fiscal year 2022, over three-quarters of the city's contracts with nonprofits were registered **after** the contract start date.[2]

As nonprofits cannot submit invoices for their services until a contract is registered, nor can they receive an advance from the city on a pending contract, these registration delays can lead to a situation where a nonprofit is required to cover significant operating expenses (including staff salaries) up front before receiving any funds from the city. (Once registered, contract reimbursements typically take 30-60 days following the submission of an invoice — which is within a usual range of vendor payment schedules, but still one that nonprofits must be able to manage.) Nonprofits in this situation must therefore find a way to finance operations during registration and reimbursement delays, and since the business model realities of most government-funded nonprofits leaves them with low levels of cash reserves,[3] that financing often must be external.

The purpose of this study is to outline external financing options for New York City nonprofits dealing with contract payment delays.

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1 Joint Task Force to Get Nonprofits Paid on Time, "A Better Contract for New York." February 14, 2022. https://comptroller.nyc.gov/reports/a-better-contract-for-new-york/

2 Ibid.

3 John Summers, "Government-Funded Nonprofits Face Serious Obstacles to Building Financial Reserves and Working Capital." BDO White Paper, June 2023.

Nonprofit Working Capital Financing Options

Nonprofits facing cash flow challenges while awaiting payment on New York City government contracts have some options for accessing working capital. Some nonprofit lenders have dedicated programs and funds for short-term financing of city-funded nonprofits, and there are also options from commercial banks. This section will detail the major categories of financing options for organizations dealing with these challenges.

The first option we will briefly discuss is no-cost contract advances from the city government itself, which are extended when a contract is successfully registered by the comptroller's office.

CONTRACT ADVANCES FROM NEW YORK CITY

Upon registration of a contract, nonprofits can receive a no-cost advance directly from the city worth at least 25% of the contract's annual budget. Typically, the advance is issued automatically upon registration of the contract, though some agencies may require nonprofits to apply for the advance. The amount of the advance is then deducted from future payments to the nonprofit. The typical recoupment schedule, per city guidance, is "no sooner than 6 months before the end of the contract period. The number of recoupment payments should at least equal the number of months of advance and should not be required through a single payment."[4] Agencies have discretion to determine the exact recoupment timing.

While helpful, these funds are again only available to nonprofits with registered contracts, and as such are not an option for organizations dealing with the delays in the registration process which are typically the more significant driver of cash flow challenges. (A similar city-funded program for contracts pending registration is managed by the Fund for the City of New York and will be discussed later — note however that this program is not as well resourced as the city's own advances on registered contracts.)

COMMERCIAL BANKS

Unlike the Fund for the City of New York and city agencies, who have dedicated funds to finance nonprofits awaiting contract registration or reimbursement, and nonprofit lenders, who may have a mission-related basis for lending, commercial banks generally make lending decisions on a cost-benefit basis with due attention to managing risk. This means that nonprofits seeking financing from commercial banks must be able to prove credit-worthiness and ability to repay, to the standards of the lending institution. It may also present challenges to organizations seeking relatively small loans, since the economics of making such loans can be challenging for commercial banks.

The commercial banking world is made up of a vast range of enterprises, from global institutions with multi-trillion dollar balance sheets to community-based banks with only one or two branch offices. But all have in common the fact that they are for-profit businesses accountable to their shareholders and subject to regulations intended to ensure their liquidity and solvency. As such, any commercial lender must exercise appropriate prudence and due diligence in offering funds to borrowers, and while underwriting standards and loan terms will vary somewhat from bank to bank, the regulatory environment and financial markets will ensure a degree of commonality in the approaches that nonprofits will find when seeking capital from the banking sector.

Where to Start

Most commercial lenders are interested in a full banking relationship with their customers, so nonprofits should explore lending options at the bank(s) where they have their deposit accounts (or should expect to move their deposits to the bank providing their credit). Broadly speaking, smaller and mid-size nonprofits will likely find more receptive lenders at smaller regional, local and community banks than at large national institutions.

4 https://www.nyc.gov/site/nonprofits/funded-providers/nonprofit-resilience-committee-resources.page

The loan origination and underwriting process at a commercial bank can take several weeks, so nonprofits pursuing this option should plan ahead. Those seeking a very fast turnaround under pressure of an upcoming payroll cycle are likely to find very limited options from any source, particularly commercial banks.

What is Available

- The most common type of working capital financing available from commercial lenders to nonprofits are lines of credit, which are funds available on demand to the borrowing organization up to a set limit. A line of credit is a "revolving" form of lending, meaning that as amounts are repaid they are then available to be borrowed again. Typical features of lines of credit are outlined below.
- Term: A line of credit is extended for a set period, most commonly 12 months. At the end of this period, the line may be renewed or extended for another term, assuming the borrower continues to meet under the lender's standards and criteria.

Interest and fees: Borrowers are charged interest on the amount borrowed from a credit line. Typically, this is 1-3 percentage points above the current prime rate (a rate banks use as a basis to set interest rates on various types of loan); in cases where an organization has particularly strong credit or can offer collateral this rate may be lower. It is also common for banks to charge a small "unused fee" (typically 0.25% – 0.5%) on any portion of the line of credit that is left unused over the course of the term.

- (Note that interest and bank fees on working capital loans are unallowable expenses under New York City government contracts, so organizations utilizing a line of credit will need to have another source of funds to cover those costs.)

"Clean up" provision: Many banks require that a line of credit be completely paid up and undrawn for some period of time during the term — for example, 30 days of the term in which there is no outstanding balance on the line. This is to demonstrate that the funds are being used for temporary cash flow management rather than to cover operating deficits on an ongoing basis. (Some lenders may instead use a "clean down" approach in which the balance is kept at or below a certain level of borrowing.) Inability to achieve this "clean up" may jeopardize the renewal of the line of credit.

Beyond lines of credit, some banks may offer nonprofits seeking working capital other types of financing such as bridge loans or term loans. These are loans of a set amount of money that is repaid over a specified time period. Unlike lines of credit, which accrue interest only on the amount in use, interest is charged on the full amount of a term loan from its origination (interest may be at a fixed rate or a variable rate depending on the loan), and these loans also generally include an origination fee. The loan is typically repaid in regular payments over the period, sometimes in equal installments or sometimes as interest-only payments over the term of the loan with the principal repaid at the end.

In most cases, for nonprofits seeking working capital, lines of credit are a more flexible and less costly option than term loans. Term loans are more commonly used as up-front financing for investments in property, equipment, growth, or other longer-term business strategies. That said, there may be particular circumstances in which a nonprofit may consider a term loan for working capital, such as to spread repayments over a longer time period.

What to Expect

Commercial banks are obligated to assess the credit-worthiness of potential borrowers. Nonprofits seeking financing should therefore be prepared with information and evidence of their ability to repay any loans provided by the bank. At a minimum, this will include:

- Audited financial statements: Lenders will typically request 2-3 years of audited financials as part of the loan application process. A nonprofit without audited financials may find it especially challenging to receive financing from a commercial lender.
- Internal financials: Since audited financial statements reflect data that may be up to a year old, nonprofits should be able to produce accurate, timely financials that reflect the organization's current position. This also helps provide the lender with an indication of the financial management capacity of the organization.
- Accounts receivable schedule: Many lenders tie credit amounts to some percentage of the receivables a borrower is waiting to collect. (For example, a lender may set a line of credit at 75% of the value of an organization's receivables that are less than 90 days old). A nonprofit seeking credit should be able to show a lender an up-to-date receivables schedule and be prepared to explain any old accounts that it still expects to collect.
- Cash flow projection: Nonprofits should be able to project cash flow and cash balances for the period of the loan or line of credit being sought (for example, organizations seeking a 12-month line of credit should prepare a 12-month cash forecast). This will help to assure the lender that funds being provided will be used to manage **temporary** periods of cash shortfall and will be repaid once the nonprofit is able to collect what it is owed.

Contract information: Some lenders may request information on a borrower's NYC government contract(s) and contract history, including the number of years the nonprofit has been working with that funder and its record of service delivery and contract compliance. These contracts are the source by which the lender will ultimately be repaid, so the lender will want to understand the likelihood that the nonprofit will be able to deliver and collect on its contracts.

In terms of financial metrics, commercial lenders are likely to look for evidence of positive operating results and cash flow and a low liabilities-to-assets ratio (certainly no higher than 1:1, preferably much lower).

Organizations able to pledge financial collateral (e.g., reserves) are likely to be deemed lower-risk borrowers and thus be eligible for credit on better terms, although this is generally not an option for city-funded nonprofits dealing with the cash flow challenges that would lead them to seek financing in the first place.

Bottom Line

For nonprofits that can demonstrate creditworthiness and ability to repay, and can cover the fees and interest expenses, lines of credit from commercial lenders can be a useful source of working capital financing. However, those conditions may be challenging to meet for very heavily government-funded organizations with low operating margins and limited financial reserves. Ultimately, commercial banks (even those designated as community banks or CDFIs) must make lending decisions through a profitability and risk-management framework, so organizations experiencing significant financial difficulties may find limited access to financing from commercial lenders.[5]

5 Credit unions are another type of depository institution that may offer loans to nonprofits and small businesses. As they are themselves nonprofit entities, credit unions sometimes offer more flexible loan terms or more favorable interest rates than for-profit banks. Credit unions provide financial services on behalf of their members, thus one must meet the membership eligibility requirements of the credit union in order to be a member (eligibility requirements vary widely, and may be based on geography, place of employment, union membership, etc.). Credit unions typically primarily serve individuals, though some may have business membership options. Our survey of the New York City landscape has led us to conclude that credit unions are unlikely to be a significant option for government funded nonprofits seeking working capital financing, although if a nonprofit seeking financing is a member (or eligible for membership) of a credit union, they should contact that institution about their options.

NONPROFIT LENDERS AND LOAN FUNDS

The New York nonprofit ecosystem includes a range of nonprofit organizations whose missions include the provision of lending and financing support to other nonprofits. There is likely to be significantly more variation in approaches and options among these lenders than among commercial banks — some operate rather similarly to commercial lenders with bank-like application and underwriting processes, while others have more unique approaches based on their program designs and goals.

Given that the Fund for the City of New York has programs specifically intended to address cash flow challenges in city-funded nonprofits, we will begin by discussing that organization's approach in more detail.

Fund for the City of New York (FCNY)

FCNY is a nonprofit organization founded in 1968 with the mandate to improve the quality of life for all New Yorkers through partnerships with government agencies, foundations, and nonprofit institutions.[6] FCNY has two programs that can provide support to nonprofits experiencing operating cash flow challenges due to delays in receiving payment on New York City government contracts.

Its Operating Loan Fund was established in 1976 to provide immediate cash flow to organizations that were awaiting payment on registered government contracts. In 1992 FCNY and NYC government created The Returnable Grant Fund, which was designed to provide cash flow to organizations who had been awarded government contracts but were expecting delays in registering those contracts. Given the ongoing, long-term nature of this problem, what were once intended to be temporary programs continue today.

Where to Start

FCNY's financing programs are specifically designed to support organizations experiencing delays in payment on committed funds from government and foundation funders experiencing delays on payments. Nonprofits seeking to access these programs must have current (registered or unregistered) contracts with a New York City agency or approved foundation award and be in good standing with the funder(s) in terms of compliance, deliverables, reporting, invoicing, etc. The organization will also want to be sure its tax filings are up to date and that its board has approved pursing said financing.

See **https://www.fcny.org/nonprofit-loan-financing/** for more information and application instructions.

What is Available

The FCNY has two primary ways of assisting organizations seeking financing due to contract registration and reimbursement delays.

- Operating Loan Fund: Designed for organizations that have a registered contract with a government agency (city, state, federal) or committed funding from a non-government source but is awaiting payment on a grant or submitted invoices. The pool is funded by a range of philanthropic sources.
  - This fund provides short-term (60-90 day) bridge loans to allow organizations to continue delivering services as they await payment on invoices or grants.
  - The loans are interest free but carry a 2% service fee.
  - Organizations interested in this service need to apply **directly** to FCNY.
- Returnable Grant Fund: Provides cash advances for nonprofit organizations waiting for city contracts to be registered. The request is made to the sponsoring agency of the contract and then approved by Mayor's Office of Contract Services (MOCS) which then is underwritten and funded by FCNY from a pool of funds supplied by the city. This program serves more nonprofits than the Operating Loan Fund because of the amount of funds available within the pool is higher.
  - The loans are disbursed by FCNY but managed and approved by city offices. Once a contract is registered and invoices are processed, the relevant agency typically repays FCNY directly from the nonprofit's contract funds.
  - The loans can advance up to 50% of the contract value depending on the timing in the fiscal year (over six months) but amounts and limits are based on the funds available in the loan pool on a day-to-day basis.
  - These loans carry no interest or service fees.
  - Organizations interested in this service need to apply **to the agency with the contract** and **not** directly to FCNY.

6 https://www.fcny.org/about/

What to Expect

As these financing programs are directly funded by the city or private donors, FCNY does not conduct bank-style underwriting on the loans. The Returnable Grant Fund is based on agency and administration agreement and therefore only requires a short application. This includes high-level expense estimates but no organizational financial statements. For the Operating Loan, FCNY reviews financial statements and cash flow projections for the current year and in some instances may require additional financial documents. Applicants can expect to hear back from FCNY within 3-5 days.

Bottom Line

Organizations who need fast short-term financing to cover the costs of delivering programs as they await registration of city contracts should explore FCNY's Returnable Grant Fund, while nonprofits looking for working capital while awaiting payment of submitted government invoices or private grants should consider the Operating Loan Fund. As these programs generally don't require the same amount of financial disclosure and review as a bank loan, smaller and start-up organizations will likely find these funds more accessible than commercial lending. The speed of the application and disbursement processes are most helpful for short-term time-sensitive needs. The agency approving the Returnable Grant fund will deduct the amount of the advance from future reimbursement payments. Organizations must repay the Operating Loan Fund immediately after receiving payment from the funder.

Ultimately, however, FCNY's lending is dependent on the availability of funds in their programs and, in the case of the Returnable Grant Fund, on the approval of the city agency contracting with the potential borrower, so there is no guarantee that loans will be available for every organization seeking them.

OTHER NONPROFIT LENDERS

Beyond FCNY, there are a number of national and local nonprofit organizations and foundations whose missions include provision of capital to other nonprofits for purposes such as construction, program expansion, and working capital. These organizations include loan funds designated as Community Development Financial Institutions (CDFIs), as well as other nonprofits with (typically smaller) lending programs that may support working capital needs.

CDFI Loan Funds

CDFIs are lenders (including commercial banks, credit unions, loan funds, and venture capital providers) with a primary mission of serving low-income communities, and have received CDFI certification from the US Department of the Treasury. Depending on their structure and area of focus, CDFIs provide financing for eligible individuals (e.g., mortgage and construction loans) and small businesses (e.g., start-up and expansion capital), as well as nonprofit organizations. **Nonprofit Finance Fund** (NFF) and **Local Initiatives Support Corporation** (LISC) are examples of nonprofit CDFI loan funds interviewed for this study.

Lending programs are likely to be a core part of the mission of a CDFI loan fund; as a result, they generally have resources and expertise dedicated to lending and a larger variety of facilities organizations can apply for than other loan-providing nonprofits, though the majority of their lending is related to real estate development. For working capital purposes, loan funds typically offer lines of credit as well as term loans. The application process with a CDFI loan fund may look similar to that of a commercial bank, requiring submission of financial documents (e.g., audited and internal financial statements, budgets, cash flow projections). That said, given the fact that they are not deposit-taking institutions (and therefore not regulated by the FDIC), they tend to be more flexible on extending credit than a bank and may be willing to lend in a situation a bank would not. Due diligence requirements tend to be less onerous to a borrower, which means cash can often be distributed faster.

On the flip side, given their greater risk profile, loan fund interest rates tend to be higher than those of banks. They also have less capital than commercial banks which limits how many loans they can originate. There may also be specific eligibility requirements (e.g., geographic or mission focus) for particular lending programs based on the funding streams supporting those programs. In general, nonprofit loan funds will steer organizations who are likely to be "bankable" into the commercial banking sector to seek credit, leaving the bulk of their lending for organizations who are likely to have more difficulties with borrowing from commercial banks.

Other Nonprofits with Lending Programs

In contrast to the CDFI nonprofit loan funds, there are several other non-CDFI nonprofit lenders that offer loans as one of several offerings to nonprofits. While these lenders are typically smaller than CDFIs, they may have considerable flexibility to consider a wider range of loans by size, risk profile, etc. (Examples of such organizations interviewed for this study include **FJC** and **SeaChange Capital Partners**.)

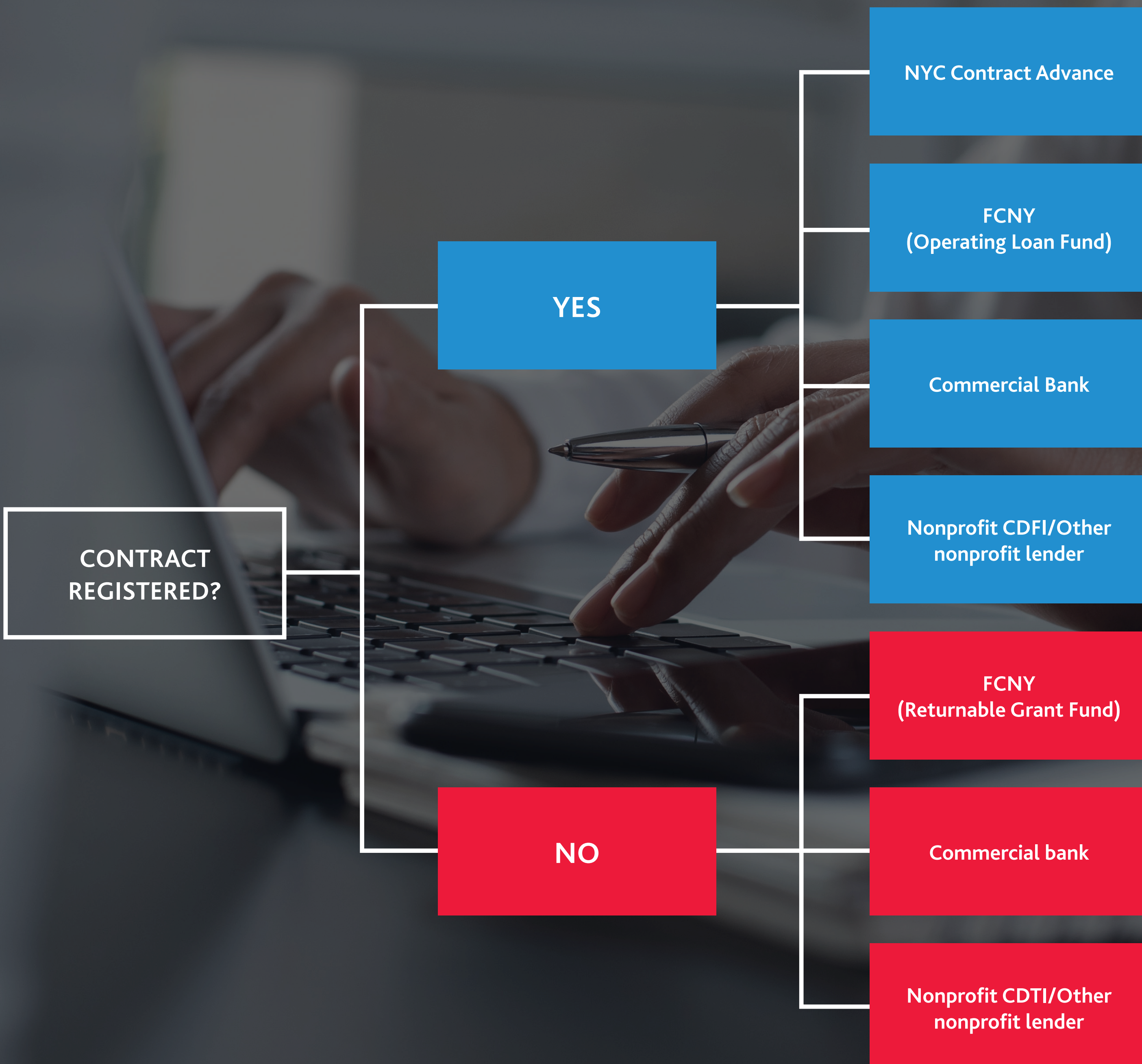
These programs are quite heterogeneous and it is difficult to generalize what will fall into their scope since they tend to lend on a case-by-case basis. They may have flexibility to support organizations who are unable to access capital even from nonprofit CDFI loan funds or who need capital on a highly expedited schedule. Also, they tend to offer only term or bridge loans as opposed to revolving lines of credit, given the additional administration required to manage the latter.

Bottom Line

All nonprofit lenders are somewhat unique. However, given their mission focus and the fact that they (by definition) have neither shareholders nor depositors, they approach risk differently than commercial banks and may be a viable option for organizations that have trouble accessing capital from those banks.

FINANCING OPTIONS DECISION TREE

Whether or not a city contract has been registered determines many of the available financing options for a nonprofit providing services under that contract. The options are listed here roughly in order of priority. Notably, nonprofit CDFIs and other nonprofit lenders will typically refer a potential borrower to a commercial bank if that borrower is likely to be "bankable," thus in most cases a nonprofit should first approach their bank (or possibly another commercial bank) before a nonprofit CDFI, and a nonprofit CDFI before a non-CDFI nonprofit with a lending program.



FINANCING OPTIONS COMPARISON

Type of Lender	Requires registered contract?	Requires financial review and/or underwriting	Turnaround time	Product(s)	Fees
NYC contract advance	Yes	No	Immediate (upon contract registration)	Cash advance	None
FCNY (Returnable Grant Fund)	No	Minimal	3-5 days	Cash advance	None
FCNY (Operating Loan Fund)	Yes (also available for private grants)	Minimal	3-5 days	Short-term (60-90 day) bridge loan	2% service fee
Commercial bank	No	Yes	Several weeks	Line of credit (most common), bridge or term loan	Interest, origination fee (possibly), unused fee (possibly)
CDFI loan fund	No	Yes	Several weeks	Line of credit, bridge or term loan	Interest, origination fee (possibly)
Other nonprofit lenders	No	Depends	Depends	Typically bridge or term loan	Depends

Additional Recommendations for Government-Contracted Nonprofits

The city's nonprofit contractors are required to deal with their cash flow challenges as effectively as possible. In addition to the contract advances and financing options discussed throughout this report, some internal adaptations and improvements may help to mitigate the challenges of contract payment delays.

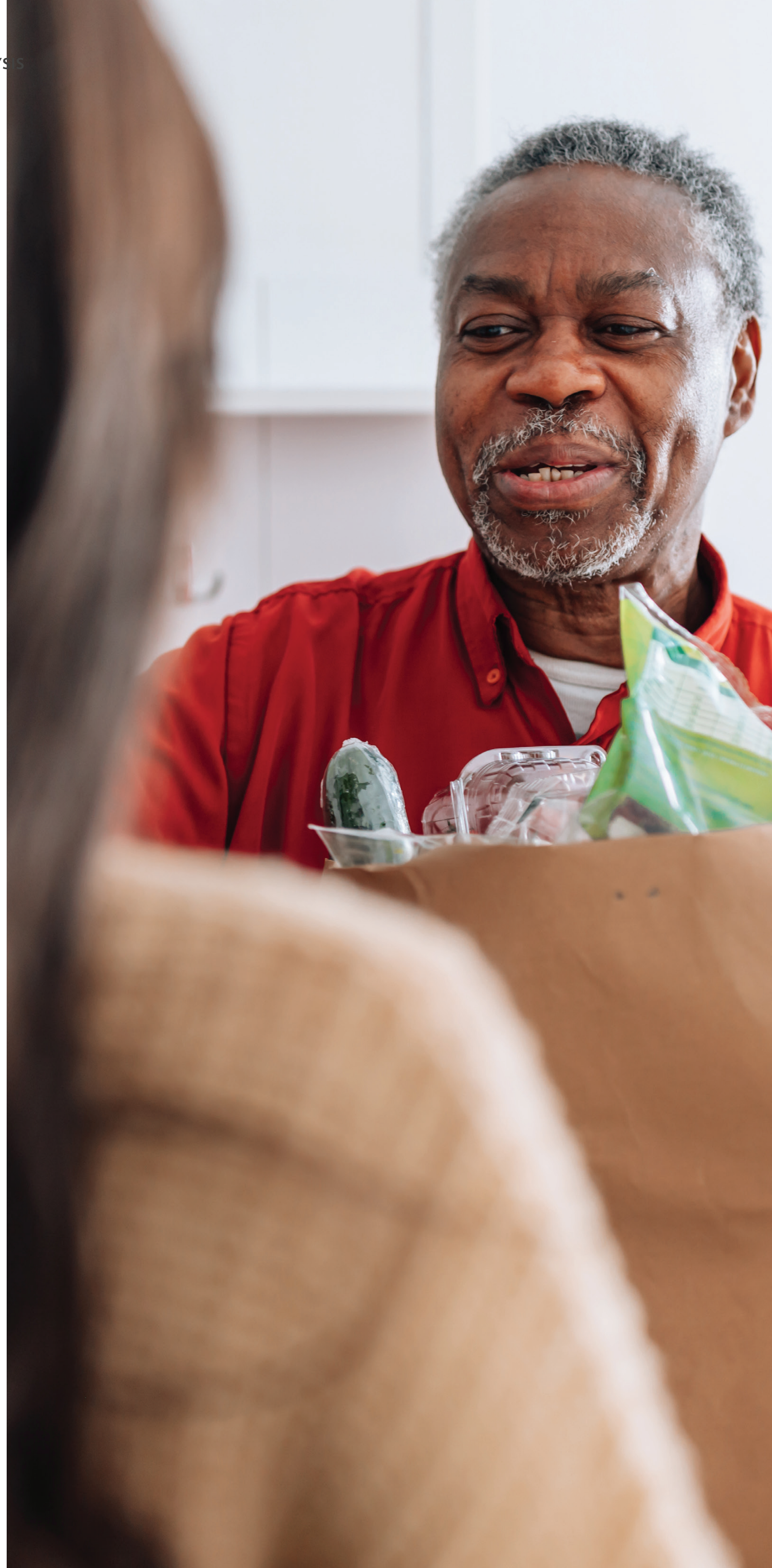
- For heavily government-funded organizations, diversification of revenue to include private, unrestricted dollars can help create breathing room in cash flow and financial management. Individual donors, private philanthropy, and corporate giving can all ease the burdens created by reliance on government revenue — even if it's only a small percentage of overall income it can make a big difference in terms of cash flow and flexibility. That said, the skills, systems and relationships required to raise funds from private donors are dramatically different from government contracting, and will require investments of time and resources to develop.
- Given the payment delays that may exist when contracting with the city, nonprofits need to do everything they can to submit budgets, reports, vouchers and invoices quickly and accurately, to avoid any additional delays arising from inefficiencies on their side. Accounting, reporting and grants management systems and processes should be optimized and automated in any way possible to maximize the speed and accuracy of reimbursement requests.
- Nonprofit organizations with New York City Health and Human Services (HHS) contracts are entitled to a 10% **de minimis** indirect cost rate on those contracts, but are also eligible to negotiate a higher rate with the city. Indirect costs on contracts cover administrative and overhead expenses separate from the services covered by the contract, and are therefore a critical component of financial sustainability for city-funded organizations. Nonprofits who have not already done so should ensure that they are maximizing indirect cost recovery on their contracts; more information on how to apply for an indirect cost rate is available **here**.
- One rather technical-sounding but potentially important practice for nonprofits with city government contracts is to **book contract revenue and receivables as the conditions of contracts are satisfied, even if those contracts themselves have not yet been registered.** It is common for many nonprofits to only book revenue and receivables on government contracts upon the submission of an invoice to the funder; if a contract has not yet been registered, invoices can't be submitted, thus organizations waiting for that will be significantly delaying their recognition of revenue. But according to generally accepted accounting principles (GAAP), revenue can be recognized as the conditions of grants and contracts are satisfied, which in the case of government contracts would be as the contracted services are delivered.
- This is relevant in a number of ways to the issue of working capital financing. Lenders generally look at an organization's current balance sheet and receivables schedule in the process of determining credit worthiness and limits. A balance sheet that includes full and current recognition of receivables (including those earned from unregistered contracts) will be stronger than were that recognition to be delayed until invoices are submitted at some future point. Moreover, many lenders set credit amounts and limits based on receivables, so organizations may be eligible for more financing if those receivables are fully recognized.

Methodology

BDO sourced potential lenders for this study via the following methods:

- Identifying all CDFIs (~45) and MDIs (14) based in New York City. As these are federal designations, a full list of those institutions is publicly available. (CDFIs include credit unions and loan funds as well as commercial banks.)
    - Via internet research and direct outreach, excluding institutions that do not provide working capital loans, do not work with nonprofits, have exclusive membership requirements, or whose websites lacked information on services to nonprofit organizations or government contractors.
- Canvasing BDO's Nonprofit and Grantmaker Advisory staff to find out which financial institutions they knew provided working capital loans to nonprofits with significant NYC grants.
- Asking interviewees for contacts at other institutions they are aware of who provide working capital financing to government-funded NYC nonprofits.

For information on working capital financing options and processes, we conducted interviews with 11 lenders (including commercial banks, nonprofit CDFIs, and other nonprofit lenders) who were responsive to outreach.



APPENDIX:
Working Capital Lenders to Nonprofits

The table below lists institutions identified for this study as **potential** working capital lenders to New York City nonprofit organizations. (This is not necessarily a comprehensive list.) Please note that all lending decisions are made on a case-by-case basis and there is no guarantee that any lender will issue a loan in a particular case. Commercial banks typically require that borrowers maintain a deposit account at the bank.

Lender	Contact Information	CDFI	MDI[7]
Commercial Banks			
Amalgamated Bank	Maura Keaney, Senior VP, Director of Client Engagement https://amalgamatedbank.com/nonprofits		
BankUnited	Paula Park, Nonprofit and Education Banking National Practice Leader		
Capital One Bank	Diane Manning, Northeast Industry Lead, Not For Profit and Higher Education		
Carver Bank	https://www.carverbank.com/lending-solutions/non-profit-and-faith-based-lending, 212-260-8899	X	X
Chase Bank	Frank Apollo, Executive Director, Chase Business Banking / Government and Not-for-Profit Team, 212-623-1088		
Citi	Irina Berg, Industry Head, Gregory LiCalzi, Senior Vice President Nonprofit, Higher Education & NFP Healthcare		
Flushing Bank	https://www.flushingbank.com/lending/business-lending/loans-lines-of-credit/		
Ponce Bank	Wanda Matos Taveras, Director of Nonprofit Services https://www.poncebank.com	X	X
Spring Bank	https://www.spring.bank/commercial-lending/	X	
TD Bank	https://www.td.com/us/en/commercial-banking/industry/not-for-profit		
Valley National Bank	https://www.valley.com/business/commercial-lending/nonprofit-lending		
Webster Bank	Andrea Kantor, Managing Director https://www.websterbank.com/commercial-banking/expertise/not-for-profit/		
Nonprofit Lenders and Loan Funds			
FJC — A Foundation of Philanthropic Funds	Sam Marks, Chief Executive Officer, Allison van Hee, Senior Manager https://fjc.org/for-nonprofits/		
Fund for the City of New York (FCNY)	Andrew Walrond, VP of Loan Programs https://www.fcny.org/nonprofit-loan-financing/		
Local Initiatives Support Corporation (LISC)	Arturo Suarez, Senior Director, Community Capital Investments Christine R. O'Connell, Director, Community Development Investments	X	
Nonprofit Finance Fund	https://nff.org/financing	X	
SeaChange Capital Partners	Taj Tabassoom, Partner, Minji Kim, Vice President https://seachangecap.org/loans/		
TruFund Financial Services	Robert Benitez, National Director of Lending https://www.trufund.org/markets/new-york/	X	

7 **CDFI:** Community Development Financial Institution. CDFIs are certified by the US Department of the Treasury's CDFI Fund, and include credit unions, banks, loan funds, and venture capital funds with a primary mission of serving low-income communities. **MDI:** Minority Depository Institution. An MDI is a federally insured depository institution for which 51 percent or more of the voting stock is owned by minority individuals, OR a majority of the board of directors is minority and the community that the institution serves is predominantly minority.

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CONTACT:

JOHN SUMMERS
jsummers@bdo.com