

Dear Friends:

Non-profit organizations and charities focus on a mission. This makes us different from businesses, which operate to make a profit. Non-profits and charities, however, share many characteristics with businesses—both have revenues, expenses, personnel, and facilities. Like businesses, non-profit organizations sometimes need funds in the form of a loan to operate their programs effectively. Astute managers and boards understand that loans can be a tool that can help their non-profit grow and succeed.

Some people believe that borrowing is a sign of dire trouble. The truth is that managing cash flow, making loan and interest payments, and planning for stable operations are part of successfully managing an organization. Savvy funders understand the complexity of managing a non-profit. They know that loans can be valuable tools for cash flow and financial stability.

Seeking a loan when an organization has been operating with a persistent deficit is not the right time. A loan is not the appropriate tool to fill the gap and pay ongoing operating expenses.

The opportune time to consider seeking a loan is when you have a plan for how the funds will be used, for repayment that is based on reasonable assumptions for future income and have the support of your Board.

Loans can be useful to:

- even out cash flow
- purchases capital items
- take advantage of an opportunity
- consolidate debts

There is no “one-size-fits-all” loan. Loans can be structured with affordable regular monthly payments for several years or as short-term loans that are fully paid in a few months after the grant is received.

The Jubilee Fund can help your organization decide if the conditions are right for a loan and help you connect with a financial institution. If your organization does not have the equity to obtain a loan, we can help through our Loan Guarantee program by providing a guarantee on your behalf to a Credit Union or Bank.

Looking for more information? Jubilee Fund staff would be pleased to help you understand the process and connect you to an Assiniboine Credit Union representative to get the process started. Give us a call (204-975-2650), drop us an email (Derek@jubileefund.ca) or arrange for us to attend a Board meeting to discuss your needs.

Derek Pachal, Jubilee Fund Executive Director