



New England Grassroots
Environment Fund Inc.

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In the fall of 2020, the Grassroots Fund's Board established a short-term Investment Team of three Board members, an outside financial expert and the Fund's Executive Director. **The goal was to identify the Fund's investment needs, limitations and priorities, and establish a baseline of investment options** in consultation with several external financial experts. ***By making our investment needs and policy publicly available, the Board hopes to encourage other foundations and individuals to establish and uphold values that center justice and align investment policies with both their grantmaking strategies and organizational values.***

Background

As a 501c3 non-endowed public foundation, the New England Grassroots Environment Fund, Inc. (Grassroots Fund/the Fund) was founded on and maintains a commitment to rapid and transparent distribution of funds to grassroots environmental initiatives. A participatory grantmaking process ensures allocation decisions prioritize those most impacted by environmental injustice.

The Fund is part of a movement to disrupt the power imbalance between community and traditional philanthropy. Read more about [Why We Do What We Do](#).

We are committed to:

- Moving resources - with a commitment to environmental justice and a Just Transition;
- Shifting power - where marginalized community members are core leaders and decision makers;
- Changing systems - to root deeper into equity and liberation;
- Remaining flexible and transparent.

Prior to 2014, the Fund raised and distributed its annual budget with little rollover of assets into subsequent years and minimal need for investment beyond standard checking and savings accounts. Learn about [Our Funding Model & Partners](#). Since 2014, the Fund has diligently grown a board-directed Reserve Fund to provide six months of general operating and reduced grantmaking support; this is aligned with nonprofit management best practices. As of August 2020 the Reserve Fund has met 60% of its goal. In addition, over the past few years the Fund has received several multi-year grants with temporal, geographic and issue area restrictions that must be met in order to release funds into cash flow. These restricted assets are largely earmarked for future grantmaking, with a small percentage allocated to support the Fund's staffing costs, contracts and honoraria associated with our participatory grantmaking. The growth in the Grassroots Fund's (restricted) assets has necessitated the development of an investment policy and plan that aligns with the organization's mission and values while maintaining fiduciary prudence and accountability.

Developing a Values-Aligned Investment Strategy

Due to the restricted nature of most of the Fund's assets, the Investment Team considered a range of investment products that could complement our grantmaking aims. Primary objectives included:

- values/mission alignment;
- principle preservation with the potential for low-risk capital growth;
- high liquidity to meet needs of the grantmaking cycles.

The Investment Team, with the Board of Directors' approval, ultimately elected to invest the Fund's modest, restricted assets through products offered by the [RSF Fund](#) and [CNote](#). Both prioritize social enterprises led by Black, Indigenous and People of Color, women, and other marginalized and/or under-resourced community members that build more healthy, just, safe and environmentally sustainable communities.



Fostering Innovation
through Grants



Convening
Changemakers



Amplifying
Voices



Revolutionizing
Philanthropy

Opting to invest through ‘Main Street not Wall Street’ institutions is not without some risk, but the Fund’s Board has a relatively conservative approach to asset management. The Board was and is committed to adhering to financial best practices, including diversification of funds. Modest risk is balanced by the Fund’s desire to be a responsible investor, a key mindset that will help the Fund achieve its mission of revolutionizing philanthropy. Many of the Fund’s grants, particularly to marginalized communities, might be seen by traditional philanthropy as risky, and we take pride in this “higher risk” tolerance. Our ethos of operating with impact extends to pre-grantmaking fund management, allowing for our values to be reflected at all stages of the grantmaking process.

Perpetual Learning and Assessment

All investment policies and investment management guidelines shall be reviewed annually by the Fund’s Board of Directors, or whenever circumstances change to the extent that the policies are ineffective, inappropriate or might be improved.