

Revolving Loan Fund or Investment Fund Operating Plan Outline

Version 1.0: Effective July 19, 2024

Under the ARC's [2021 Access to Capital Projects Application and Operating Guidelines](#), ARC applicants are required to submit an RLF/Investment Operating Plan (see "Required Grantee Capacity," pages 3-4). This outline details the information an RLF/Investment Operating Plan should contain. At a minimum, the plan should include:

Introduction

- Background and Purpose of the Revolving Loan Fund (RLF) or Investment Fund
- Objectives of the Operating Plan
- Overview of the Fund's role in Economic Development
- Long-Term Vision for the Fund's Impact on Economic Development

Governance and Administration

- Structure of the Fund's Management Team
- Roles and Responsibilities of Key Personnel
- Decision-Making Processes of the Organization
- Loan/Investment Committee
 - The process for selecting loan/investment review committee members
 - Credentials required of loan/investment review committee members
 - Provide the members' names, their affiliations, and a brief statement of each member's commercial loan, investment, or private sector experience. Fifty percent of committee members need to have private sector financing and/or small business experience.

Servicing and Portfolio Management

- Disbursement and Closing Procedures
- Monitoring and Compliance Oversight
- Delinquency Management and Default Prevention
 - Process and policies for addressing delinquent loans/non-performing investments
- Portfolio Performance Evaluation and Reporting

Financial Management

- Fund Structure and Capitalization Strategy
- Accounting Practices
- Budgeting and Financial Forecasting
- Auditing and Financial Reporting Requirements. Align with the ARC Access to Capital Guidelines on page 10.

Legal and Regulatory Compliance

- Applicable Federal, State, and Local Laws and Regulations
- Compliance Procedures and Documentation

- Risk Management Policies and Procedures
- Privacy and Cybersecurity Measures for the Protection of Data
- Conflict of Interest: Provide a policy statement and procedure that at a minimum aligns with the ARC Access to Capital Guidelines on pages 6-7.

Policies and Procedures

- Eligibility Criteria for Borrowers/Recipients. ARC provides its eligibility requirements for borrowers/recipients and loan/investment fund uses on pages 4-5 of the ARC Access to Capital Guidelines.
- Loan or Investment Application and Approval Process
 - List of who needs to approve the loans or investments internally (e.g., CEO, Board of Directors, Loan or Investment Review Committee, etc.).
- Terms, Interest Rates (if applicable), Borrower Equity Requirements and Fees
 - Interest Rates: Acknowledgement of minimum positive interest rate, as specified on page 6 of the ARC Access to Capital Guidelines.
- Collateral and Loan Security Requirements

Marketing and Outreach

- Target Markets and Priority Sectors
- Marketing Strategies and Campaigns
- Relationship Building with Stakeholders
- Outreach Events and Networking Opportunities

Training and Capacity Building

- Staff Training Needs Assessment
- Professional Development Opportunities for Staff

Sustainability and Growth Strategies

- Sustainability Planning for the RLF
- Strategies for Fund Growth and Capitalization
- Collaboration Opportunities with Other Financial Institutions

Conclusion

- Summary of Key Points
- Commitment and Process to Review and Update the Operating Plan as Needed
 - Include a statement that if the plan changes materially, the grantee will submit the revised plan to ARC for approval. Additionally, briefly outline the governance process used to approve the plan and its revisions.