**Program Related Investments**

George Gund Foundation makes program-related investments (PRIs) in nonprofit ventures that fit particularly well with the Foundation’s grantmaking objectives. PRIs can take the form of loans, equity investments, linked deposits and loan guarantees. Unlike grants, PRIs are expected to be repaid.

The Foundation’s first PRI was made in 1984 when $333,000 was loaned to the Famicos Foundation for construction of the Lexington Village Project, a housing development in the Hough neighborhood of Cleveland. Since then, 35 separate PRIs have occurred. Currently, the Foundation has approximately $6.4 million actively invested in 8 transactions.

PRIs are generally made only to nonprofit organizations with a strong track record of performance using Foundation grants. Given expectation for repayment, the application process for a PRI is considerably more detailed than for a grant. Conversations on a possible program-related investment should begin with the program officer the organization normally deals with regarding grants.