

HORIZONS-DORIAN LOAN FUND FREQUENTLY ASKED QUESTIONS

Horizons Foundation is now home to a new funding source for qualifying nonprofits. Support for the fund comes from the generosity of the Dorian Fund. The purpose of the Loan Fund is to provide low-interest loans to organizations that serve the Bay Area's LGBTQ community. Borrowers will likely be organizations that have run into financial challenges and have few alternatives.

If you think your organization might benefit from a loan and meets the general criteria described here, please contact Horizons' loan officer, Marc Rand, at loans@horizonsfoundation.org.

Q1: What can we use the funds for?

- The proceeds of the loan can be used to fund operations while your organization is waiting on a committed grant. Funds may also be used to pay for funding gaps for specific projects.
- Loans can be used to help address unexpected organizational emergencies (e.g., a boiler breaks down at an organization that owns its facility; an organization needs help with a security deposit to secure new space when its facility suddenly becomes unusable).
- Loans can also be used to assist with the orderly merger and/or closure of organizations.
- Funds may be used to hire outside support (i.e. consultants) to help your organization address financial challenges.
- Please note that loans cannot be used to cover ordinary operating losses.

Q2: Do I need to be a Horizons Foundation grantee to apply for a loan?

No. Your organization does not have to be a Horizons Foundation grantee to apply.

Q3: What organizations are eligible for a loan?

- You must have a strong mission focus on advocating for and/or serving the Bay Area's LGBTQ community.
- You must be a 501(c)(3) nonprofit operating in and/or significantly serving the following counties: Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, Sonoma.
- You need to be able to show ability to repay the loan.
- Your organization needs to have been in operation for a minimum of three years.

- Please note that if your organization has a fiscal sponsor, then the fiscal sponsor must submit the loan application.

Q4: What will Horizons consider in reviewing our application?

- Your organization's overall financial history, ability to repay, status, and prospects
- Factors include your organization's operating results in recent years and whether your organization has any funds in reserve
- The organization's capacity to repay the loan
- The organization's demonstrated track record with and commitment to the LGBTQ community.

Q5: How much can my organization borrow?

Loans will generally range from \$10,000 to \$50,000, depending on your organization's need and ability to repay. At the discretion of Horizons, loan amounts may be larger. The total loan fund is \$500,000, and the funds available to borrow will vary, depending on the amount of outstanding loans. Terms and conditions can be adjusted based on extenuating circumstances.

Q6: Do I need to have collateral for a loan?

No. Collateral is not required.

Q7: If I apply for a loan, can I still apply for a Horizons Foundation grant?

Yes. You may apply for a loan and a grant. You will not be viewed negatively if you apply for both. However, a Horizons grant should not be the source of your repayment.

Q8: How long will it take for our organization's loan to be reviewed?

- You should know about the outcome of your loan request within four weeks from submission of a complete loan application.
- If your situation requires more urgent attention, please make this known to Horizons' loan officer, and we will make every effort to accommodate.

Q9: Can I apply for a line of credit?

We do not provide lines of credit. Our loans are structured as interest only with full repayment at maturity, or fully amortizing similar to a mortgage.

Q10: Can an individual apply for a loan?

Only 501c3 organizations that support the LGBTQ community in the Bay Area may apply for a loan. Individuals may not apply for a loan.

Q11: Can a Horizons Foundation grant be used to repay the loan?

No. You should have other sources of funding repay the Horizons Foundation loan.

Q12: What if we already have a loan?

It's ok if you have another loan. We recognize that nonprofits have debt for a variety of reasons, including building mortgages, lines of credit etc.

Q13: Can I use these funds for a startup organization?

The loan funds may only be used by organizations with a minimum of three years of operations.

Please feel free to contact us if you have questions or would simply like to talk through your situation to see whether the loan fund is a good fit for your organization's needs. Please contact Marc Rand by emailing him at loans@horizonsfoundation.org.