

# The NEXT Community Impact Fund

When you make a gift to charity, you benefit the community. When you invest in a successful company, you see financial returns. But there's a new kind of investment that generates **both a benefit to our community and the potential for financial returns.**

Central Indiana Community Foundation (or CICF) is one of the oldest and largest community foundations in the country. IMPACT Central Indiana, a multiple member LLC of The Indianapolis Foundation, CICF and Hamilton County Community Foundation, facilitates social impact investments into businesses, funds and not-for-profit organizations that generate positive and measurable social impact in the community.

Impact Central Indiana and NEXT Studios together created the NEXT Community Impact Fund. It is a new Impact Fund, chartered to impact "inequitable equity" – communities that the traditional venture capital system underserves.

These communities include both rural and urban areas of Indiana, where less than 1% of venture capital is deployed, and companies led by entrepreneurs who are part of underappreciated communities, such as women, people of color and LGBTQ founders, where less than 10% of venture capital is deployed.



The NEXT Community Impact Fund is different because it can also manage direct investments too. This means that individual investors have a choice: they can make a donation to the Fund that will be treated as a charitable contribution for tax purposes, and they can also make a direct investment into the Fund that potentially returns financial gains back to the investor, just like a regular venture capital fund.

1. If a donor has already established a donor-advised fund with one of the foundations, he or she can open an IMPACT account that can be deployed into the Fund. If financial returns are received by the IMPACT account, they will be "evergreen" in that they can be redeployed into new impact investments.
2. If a corporation or individual is seeking a charitable contribution deduction, they can open an IMPACT account and direct dollars to the Fund with the same evergreen return for future deployment to additional impact investments.
3. If a corporation or individual seeks a financial return for their assets, they can invest through the Fund directly, and any financial return will belong to the investor who can choose to retain or redeploy those gains into new investments.



There's also a new kind of corporation that **harnesses the power of private enterprise for public benefit.** It's called a benefit corporation.

Most major companies are "C Corporations." Benefit corporations are similar to C corporations except that they must include public impact goals as part of the corporate charter.

Leaders of benefit corporations must direct some of their resources toward these goals, like having a positive impact on society, workers, the community or the environment.

Because people see the public impact benefit corporations make, they often attract investors and top talent, as well as enhanced customer loyalty.



Indiana-based NEXT Studios is the Midwest's **first benefit corporation venture studio.**

Venture studios are designed to reduce risk for investors by guiding entrepreneurs through a process that helps them avoid common mistakes, and they can do this for multiple startups at once.

The Studio was created and is operated by experienced startup entrepreneurs, and engages small, entrepreneurial-led service providers to help new startup entrepreneurs succeed.

The Studio's benefit corporation charter is to advance the entrepreneurial ecosystem in Indiana. It uses its resources to build connections across the community, drive innovation and identity and support underrepresented founders.

**Together with the NEXT Community Impact Fund, NEXT Studios provides support for the entrepreneurial journey of new startup companies that make an impact in our community.**



Now you have a range of options across the **objective spectrum.**

Out for the most potential return? Consider a direct investment in a traditional venture capital fund. Looking for a balance? Consider a charitable contribution or investment in the NEXT Community Impact Fund.

Depending on what you are out to achieve, you can use any or all of these options together.

**Together with you, the new NEXT Community Impact Fund means your philanthropic and investable resources can now truly serve underserved entrepreneurs and advance the entrepreneurial ecosystem in Indiana.**