

**THE STRUCTURE OF THE  
SYLVANIA FRANCISCAN VILLAGE'S  
GREEN REVOLVING FUND  
August, 2013**

**Mission of SFV's 'Village Green Fund' (VGF)**

The Village Green Fund (VGF) of the Sylvania Franciscan Village (SFV) supports the SFV's work to become more sustainable and more environmentally responsible in accordance with the SFV's mission and values, including the principles in the Care for Creation and Environment document and the subsequent Guidelines. The fundamental aim of the VGF is to function as a green revolving fund to finance projects at the SFV that promote sustainability consistent with the Care for Creation and Environment document. The funded projects must demonstrate a clear purpose of sustainability or environmental protection and/or a quantifiable financial savings to SFV.

**Structure of SFV's 'Village Green Fund' (VGF)**

***1. Initial Seed Capital***

The VGF's initial seed capital is \$25,000, a contribution to the SFV from a donor. With this amount, the VGF will begin in August 2013.

***2. Future Capital***

The VGF will obtain future funding directly from the savings earned by any project funded by the VGF up through the designated payback amount of the project, but not beyond that amount (see section 4 "Payback Methods" for details). Additionally, instead of relying only on savings from future projects as many green revolving funds (GRFs) do, capital for the VGF could be obtained from one or more different sources – thus making the fund a quasi-revolving green fund similar to such funds at some universities. Based on various reports about green funds, these potential sources of capital could be:

- Donations from all individuals employed or associated with the SFV,
- Donations/gifts from donors outside the institution,
- Profits from recycling,
- Grants from foundations, and
- Grants from local, state, and/or federal government.

Beyond the designated payback amount, any savings from the project become the domain of the appropriate budget of the specific beneficiary of the project. The designated beneficiaries will be the Sisters of St. Francis of Sylvania Ohio (SOSF), Lourdes University, Franciscan Academy of Lourdes University, and Sylvania Franciscan Health (SFH).

***3. Accounting System***

The VGF will be established and maintained as a distinct budget item within the budget of the SFV.

Funds awarded for any approved project will be transferred to the project recipient's home department, office, or program. Repayment of funds back into the VGF will come from the savings generated by a project. A project's savings, up to the payback amount approved by the VGF Committee and the SFV Administrator, will be directed back into the VGF account within the SFV. A project's savings up to at least the approved payback amount are not permitted to be allocated to

any other account or budget of the SFV nor within the sponsored ministries of the SOSF. Methods of payback are outlined in the next section.

#### ***4. Payback Methods***

The VGF is structured as a green revolving fund (GRF), meaning that the fund can be maintained over the long-term at least via the savings from on-going projects. Such savings are especially necessary to re-fund the VGF if no other money (e.g., student fees, donations, grants) is used to support the VGF, on either a routine or opportunistic basis. To operate the VGF as an effective revolving fund which considers the effects of inflation and the fact that some funded projects will not produce a clear financial savings, the designated payback should be defined as an amount equal to 110% of a project's actual cost. The actual amount needs to be determined before funds start to be allocated in Fall 2013.

If a project has potential financial savings, then the project team must provide a budget for the project, an estimate of the project's total cost and payback time (i.e., number of months or years to repay the total cost), and detailed methods of measuring and tracking those monetary savings (see section 8 "Measuring Savings"). Funded proposals will require quarterly reports until the payback time is complete. If the project is approved by the VGF Committee, then the payback time and the actual cost of the project as implemented will be used to determine the payback amount and time. Any savings from an implemented project will be placed in the SFV's VGF account until 110% of the project's total cost is reached. Beyond that designated percent of cost, savings from that particular project will no longer be put into the SFV's VGF account.

The SFV Administrator and the VGF Committee need to provide details of a growth goal and its implementation to the SFV Leadership.

For projects that do not have a demonstrated financial savings for the SFV, no need exists for the project to be monitored and tracked for savings and no repayment is necessary.

#### ***5. Oversight of the VGF***

Ultimate oversight and management of the VGF will be the responsibility of the Administrator of the SFV and the VGF Committee who will handle fund operations such as assisting potential applicants by answering questions about the application process and criteria, reviewing and selecting the projects from the submitted proposals, and working with the appropriate financial offices to track the savings up to the project's approved payback amount. All parties to the oversight and operation of the VGF, as well as project selection, shall adhere to the policies and procedures outlined in the VGF. The Administrator of the SFV will provide an annual report to the SFV leaders on the status of the Green Fund.

Members of the VGF Committee will number at least nine, including Sisters, faculty, staff, students, and administrators as follows:

- Two representatives from the Sisters of St. Francis of Sylvania, Ohio,
- One full-time staff member from SFV who is not faculty and not a Sister,
- Two full-time, permanent faculty from Lourdes University,
- At least one full-time student who represents the student body of Lourdes University,
- One representative from Sylvania Franciscan Health, and
- The Administrator of the Sylvania Franciscan Village.

If a Sister who is also at Lourdes University or Sylvania Franciscan Health is on the Committee, then that Sister can count as a representative of both.

## ***6. Fund Operations and Project Selection***

Allocation of project funds each fiscal year will be handled as follows: prior to September 1<sup>st</sup>, the VGF Committee in conjunction with the SFV Administrator will recommend to the SFV Leadership the amount of the VGF available for allocation that year. The SFV Leadership will make the final decision about how much money will be available for proposed projects during that fiscal year, with a revision possible if more funds become available that year. A given fiscal year's allocation amount from the VGF will not exceed a specific percentage of the total available funds in the VGF. This percentage is to be recommended by the VGF Committee prior to September 1<sup>st</sup> each year. The total available funds are the actual amount in the VGF that are not already allocated to any ongoing projects and approved proposals.

Prior to September 1<sup>st</sup>, the VGF Committee in conjunction with the SFV Administrator will recommend to the SFV Leadership the proportion of the VGF's funding that will be available for projects that do not have a demonstrated financial savings compared to projects that do have financial savings. The SFV Leadership will make the final decision about this proportion to be available during that fiscal year for proposed projects that lack a financial savings.

The VGF Committee will manage the VGF funds as outlined in the VGF Charter, but this committee's actions and votes can be overturned by the SFV Administrator. Such overturning by the Administrator could occur if the VGF Committee did not follow the procedures and policies set forth in this document (VGF charter). Also, the VGF Committee will review and select projects based on the official criteria as outlined in section 7 "Criteria for Selecting Projects". A person or team whose project was not selected by the VGF Committee can appeal to have this committee re-evaluate the decision to not fund the project. An appeal consists of the person or team providing a written review of how the VGF Committee did not adequately adhere to the criteria for project selection or to the policies and procedures for selection of a project. The VGF Committee will discuss the written appeal review and vote on whether or not that project should be funded. If the VGF Committee's vote declines to fund that project, the person or team may appeal to the SFV Administrator who will make the final decision to fund or not fund that project during that application period.

## ***7. Criteria for Selecting Projects***

Proposals for projects will be evaluated and selected for funding by the VGF Committee. The primary criteria for project selection are based on the following characteristics:

- Demonstrate the ability to solve an environmental problem or reduce a negative environmental impact of the SFV,
- Demonstrate the ability to enhance the sustainability of the SFV, and
- Demonstrate a quantifiable financial savings of the project.

Applicants must clearly demonstrate *at least one* of the above characteristics in their VGF Application. If a project proposal outlines financial savings, then the proposal is required to clearly demonstrate how savings will be measured and tracked (see Section 8). The applicant or applicant team must demonstrate, in the project proposal, how any savings will be either estimated or actually measured after the project is implemented and up to the time the project's payback amount is reached.

Additional consideration used for selecting projects includes:

- A team that involves clear collaboration; each team member will understand the project's different components and will effectively interact with other team members to enhance the project's success, and
- A team that is multi-generational.

The VGF Committee will provide each applicant, whether funded or not, written feedback about the applicant's proposal. In the case of unfunded projects, the VGF Committee's feedback will include a summary of the strengths and weaknesses of the proposal so as to provide a means for the applicant to improve and resubmit their proposal.

### ***8. Approval of Projects***

The Letter of Interest is submitted to the Green Fund Board. Once the Board has approved the outline of the project, the Letter is sent to the Congregational Minister of the Sisters of St. Francis and the President of Lourdes University for their signatures. Once approved, the applicants may develop the proposal. A Board member will be assigned depending on where the project will take place (Lourdes, Sisters, Health Care.) Final approval of the proposal rests with the Green Fund Board.

### ***9. Measuring Savings***

A necessary part of any GRF is obtaining data to track the savings by a given project so that a numerical value of dollars saved can be used to manage and allocate savings back into the VGF. Two general methods of measuring savings can be used individually or together, an estimation of saving method or a method of actual performance calculation.

**Estimation of Savings Method:** The project will estimate the savings based on specific methods (e.g., engineering or energy analyses) used at the beginning of the project (e.g., design and construction phase) rather than during the actual implementation of the project. For example, a project that installs solar panels to produce electricity could estimate the amount of electricity to be produced by using standard estimation methods, energy analyses, or computer models. This method of estimating savings is often more convenient, but has greater potential to underestimate or overestimate the actual savings of the project compared to the method of actual performance calculation.

**Method of Actual Performance Calculations:** The project calculates the savings by measuring the actual performance of the project after installation of the project up through the time the project reaches its payback amount. This approach is based on using methods of measurement and verification (M&V). Performance measurements would be taken on a routine basis until the approved payback amount is reached, or on a random or routine basis to calculate a statistical measure of actual performance until payback amount is reached. This method of estimating savings can be more difficult or time consuming, but has greater potential to accurately calculate the actual savings of the project compared to the estimation of savings method.

On the application, applicants should indicate whether the project savings will be measured using the estimated or actual method, including a clear explanation of how the savings will be measured through the duration of the payback period.

### **9. Questions or Inquiries**

All questions or inquiries about the VGF or the application process should be directed to the Sylvania Franciscan Village Administrator, Sister Janet Doyle, at 419-250-2726 or [jdoyle@sistersosf.org](mailto:jdoyle@sistersosf.org) .