Mission Alignment Scorecard Tool

The purpose of our scorecard is to measure the extent to which there is alignment between the mission statement of a foundation and its investment practices. We developed this scorecard with four broad categories: Investment Policy, Financial Statements, 990 Forms and Detractors from Alignment. Each of these categories has a listing of specific factors, some of which are outlined below. If a given factor is applicable to a foundation, the factor will get a score of 1; if not, then 0. To calculate the final score, these individual factors are aggregated and assigned weights for each of the four broad categories.

- **Investment Policy Statement**
  - Language that indicates mission alignment, such as negative screening, sustainability, governance, program-related investments
  - Proxy voting

- **Financial Statements**
  - PRI Signatory
  - Rate of return
  - Target rate of return

- **990 Tax Forms**
  - Reports securities in 990 forms
  - Reports investment managers in 990 forms

- **Detractors from Alignment**
  - Focus on fiduciary duty
  - Maximizing total return
  - Conflicts b/w investment sector and mission

By understanding how the largest foundations are ranked and segmented by alignment scores, Cornerstone Capital can develop a targeted approach for foundations and help with:

- Explaining the importance of incorporating ESG factors into their investment practices for their missions and sustainability at large
- Building on our methodology and scorecard tool to rank a wider range of foundations

Figure 2: This is one example of the different types of comparisons we made for the fields in our study. In this example, we see that foundations with mission-related investment programs are more likely to share their investment policy statements on their websites.

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Sustainable Business Lab (Spring 2015)