



Streamlining Fund Management for Enhanced Community Impact



Client Overview

Capital Good Fund (CGF) is a dedicated Community Development Financial Institution (CDFI) committed to delivering equitable financial services and fostering economic mobility within underserved communities. CGF strategically acquires capital from a diverse array of sources, including banks, investors, and government entities, to fuel its core operations of lending, leasing, and managing operational expenses. The efficient and precise management of these intricate funding streams and the relationships with their investors are absolutely critical to the successful execution of their mission.

Background

As Capital Good Fund steadily expanded its operational footprint and diversified its funding mechanisms, incorporating various facility types such as term loans, grants, lines of credit, and equity equivalent investments (EQ2s), it encountered escalating complexities in capital management. The existing manual processes for tracking funds, processing investor payments, and managing associated accounting entries became increasingly cumbersome, consuming significant staff time and increasing the potential for errors. With multiple distinct entities—including Capital Good Fund itself, Social Capital Fund, Green New Deal Fund, and GA BRIGHT Solar LLC—each maintaining its own general ledger and integrating with QuickBooks Online, there was a clear and urgent need for a unified, automated solution to ensure data accuracy, regulatory compliance, and overall operational efficiency.



The Challenge

Capital Good Fund identified a critical need for a robust, end-to-end fund management solution. Their primary objectives included:

- **Centralized Fund Tracking:** Gaining a comprehensive view of all incoming funds, available capital for deployment, and outstanding liabilities across their diverse facility types and organizational entities.
- **Automate Investor Management:** Streamlining investor payment processes—encompassing interest, principal, and fees, which involved complex, varied schedules (annual, quarterly, monthly) and required seamless generation of automated payment files (NACHA) and check reports.
- **Ensure Accounting Accuracy & Integration:** Guaranteeing the automatic generation of accurate accounting entries in QuickBooks Online for every fund management transaction, thereby maintaining consistency across all CGF entities.
- **Simplify Tax Reporting:** Efficiently generating year-end 1099-INT forms for all investors, consolidating interest payment data.
- **Manage Complex Facility Structures:** Adeptly managing intricate facility structures, such as Direct Recoverable Grants, Passthrough Recoverable Grants, EQ2s with their unique rolling terms, and Project Debt with its cash flow-based repayment mechanisms.
- **Facilitate Fund Transfers & Loan Sales:** Enabling seamless internal fund donations between facilities and managing the sale of underlying loans and leases to investors, ensuring all accounting adjustments were precise.
- **Enhance Reporting & Compliance:** Improving overall reporting capabilities and compliance adherence.

The Solution: Finexus FundEdge Module

To effectively tackle these multifaceted challenges, Capital Good Fund strategically partnered with Finexus Inc., choosing to implement their specialized FundEdge module. Finexus delivered a comprehensive fund management solution meticulously designed to centralize, automate, and significantly optimize CGF's financial operations.

A core strength of the Finexus solution was its robust facility configuration, enabling FundEdge to capture all key parameters across CGF's diverse facility types. This included repayment behavior, interest calculations, and flexible disbursement schedules for term loans, lines of credit, various grants (direct recoverable, passthrough recoverable, non-repayable), EQ2s, and project debt. The system automated investor payment processing, supporting complex schedules and generating NACHA-format ACH files and detailed check payment reports. It also consolidated YTD and prior-year interest to accurately produce 1099-INT forms.



Seamless QuickBooks Online integration via direct API ensured that fund-related transactions—such as funding, payments, and inter-facility donations—automatically triggered accurate accounting entries across all CGF entities (Capital Good Fund, Social Capital Fund, Green New Deal Fund, GA BRIGHT Solar LLC).

The system enabled advanced fund management: linking underlying loans and leases to facilities at origination, tracking fund flows to borrowers, and handling loan/lease sales between facilities (e.g., Capital Good Fund to Green New Deal Fund) with proper accounting for sale prices, interest, and fees. It also supported inter-facility transfers, capturing bank balance changes and syncing entries with QuickBooks.

Finally, Finexus provided robust reporting and data aggregation, supporting cash flow analysis, investor statements, and regulatory compliance.

Results and Impact

The implementation of Finexus's FundEdge module has transformed Capital Good Fund's operations, delivering a strong ROI through automation, improved accuracy, and reduced risk. Automating manual tasks like payment scheduling and accounting has saved an estimated \$75K–\$100K annually by reducing errors and freeing up staff for strategic, client-focused work.

Real-time fund tracking and QuickBooks integration have enhanced financial clarity across all CGF entities, helping prevent up to \$250K annually in losses from errors and compliance issues. Investor relations have also improved through automated payments and streamlined 1099-INT generation, boosting compliance and satisfaction.

Enhanced reporting and data visibility enable smarter decisions around capital deployment and risk management. The flexible, scalable solution supports CGF's future growth, with a payback period under 6 months and projected ROI exceeding 100% in the first year.

Client Testimonial



Finexus has been instrumental in modernizing our fund management operations. Their FundEdge solution has brought much-needed automation and clarity to our complex funding structures and investor relationships. The seamless integration with QuickBooks and the ability to handle our unique facility types have been game-changers, allowing us to operate more efficiently and focus on our mission of empowering communities."

MAGGIE SANDOVAL

Senior VP of Investor Relations, Capital Good Fund

Looking Ahead

With the Finexus FundEdge module firmly in place, Capital Good Fund is exceptionally well-positioned to continue its vital work with heightened efficiency and precision. Future enhancements could include further automation of compliance workflows and the expansion of the investor self-service portal, aiming to provide even richer data access and more interactive engagement for their valued funders. Finexus remains a steadfast partner in CGF's ongoing commitment to financial innovation and profound community impact.



About Finexus Inc.

Finexus Inc. is a technology company specializing in AI-powered solutions for lenders, brokers, and capital providers. By combining real-time data intelligence with advanced risk modeling, Finexus helps institutions make faster, fairer, and more informed lending decisions.

To learn more, visit www.finexus.ai.