

5.06

POLICY AREA: FINANCE

POLICY TITLE: Loans to Incorporated Sporting Bodies & Incorporated Community Groups

Aims & Objectives

To provide direction for the issuing of loans to sporting bodies and community groups.

Policy Detail

A. General Purpose Loans

In relation to the issue of loans to sporting bodies and community groups, the following will apply:-

1. A maximum loan of \$100,000.00 may be issued in any one financial year to any single sporting body or community group.
2. The total amount of loans issued in any one financial year shall not exceed \$150,000.00
3. The total amount of loans issued or unpaid at any one time shall not exceed \$200,000.00
4. All loans provided by Council shall be subject to the following conditions:-
 - (a) Guarantors shall be supplied to guarantee the loan. Should the sporting body or community group own assets, (eg land/buildings freehold) there may be a requirement for security over the loan against the asset(s).
 - (b) All loan repayments shall be by mutually agreeable instalments, as set out in agreed contracts. Such contracts are to be fully executed prior to the disbursement of any loan funds.
 - (c) The term of the loan shall be determined by Council at the time the loan is approved, also considering consultation with the sporting body or community group concerned.
 - (d) The interest rate payable shall be determined by Council at the time the loan is approved.
5. In unusual circumstances where Council believes there may be an economic or social benefit for the community in general to approve a loan of a greater amount, then the absolute majority support of Council is required.

B. History Book Loans

In relation to the issue of loans to community groups for assistance in the publication of local history books, the following will apply:-

1. Loans up to \$5,000 maximum may be issued in any one financial year to a community group.
 2. The total amount of loans issued or unpaid at any one time shall not exceed \$20,000.
 3. All loans shall be subject to the following conditions:
 - (a) Guarantors shall be supplied to guarantee the loan.
 - (b) The term of the loan shall not exceed eighteen (18) months.
 - (c) An interest rate will be applicable only to loans exceeding a term of six (6) months and the rate shall be determined by Council when the loan is approved.
 4. This policy caters for groups requiring finance for the period up to when the publication has been completed and sales of the publication have commenced.
- C.** This policy applies to all loans to sporting bodies and community groups, whether funds are on-lent or provided from Council's own reserves.

Delegation:

Nil

Form(s):

Nil

ADOPTED: 13/05/98

AMENDED: 09/11/00, 17/8/05, 16/8/06.

Certified Copy by Chief Executive Officer or approved Delegate

SIGNATURE: DATE:/...../.....