

Community Groups and Local Organisations Loan Policy



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| Policy Number: | F3 |
| Responsible Officers: | Manager of Finance Deputy CEO |
| Policy Adopted: | June 2015 |
| Last Revised Date: | February 2022 |
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| Related Policies: | Local Town Committee Contributions |

1. POLICY PRINCIPLE

Wakefield Regional Council strives to create an environment where community groups and local organisations are supported and can flourish. It seeks to distribute approved budget to community groups and local organisations requesting financial support in a transparent, fair and equitable way through the Community Groups and Local Organisations Loans program.

2. POLICY OBJECTIVE

- 2.1 To support achievement of the Wakefield 2030 vision and strategies.
- 2.2 To provide a framework for Council:
 - 2.2.1 To offer community groups and local organisations the opportunity to obtain funding through community group or local organisation direct loan and/or loan guarantee.
 - 2.2.2 To support community groups and local organisations that promote value and interest to our greater community.
 - 2.2.3 To allocate funds in an effective and equitable manner.

3. POLICY DETAIL

- 3.1 Loans or loan guarantees to community groups and local organisations will only be considered by Council, once all other funding options (including grants, sponsorships, fundraising and loans from lending institutions) are fully exhausted.
- 3.2 Council will allocate loans/loan guarantees to a minimum value of \$10,000.
- 3.3 Council may agree to:
 - 3.3.1 Act as guarantor for the organisation;
 - 3.3.2 Borrow funds from the Local Government Finance Authority (LGFA) on behalf of the organisation;
 - 3.3.1 Allocate loan funds from existing Council cash reserves, with interest applicable;
 - 3.3.4 Provide an interest free loan to organisations which serves in the interest of the

community and Council's Wakefield 2030 Strategic Plan;

- 3.3.5 Provide a loan/loan guarantee where the individual project does not meet all the criteria but delivers substantial benefit to the wider Wakefield community.
- 3.4 An exemption from policy is to only be approved by Council resolution.
- 3.5 Council will consider providing support to community groups and local organisations by way of self-servicing loan / loan guarantee on the following basis:
- 3.5.1 The proposed project must have community benefit and be supported by Council's Wakefield 2030 Plan;
- 3.5.2 Applications by groups within the Wakefield Regional Council district only will be considered;
- 3.5.3 Loans must only be used for approved purposes;
- 3.5.4 The repayment period should not exceed the life of the asset or the term of the existing lease agreement and generally not be greater than 10 years;
- 3.5.5 The community group and/or local organisation will be responsible for interest and principal repayments unless it's an interest free loan;
- 3.5.6 The community group and/or local organisation must demonstrate that it has the capacity to repay the loan funds to Council, this may include the provision of:
- Audited financial statements for the two (2) prior years
 - An independently prepared business plan for the term of the loan including detailed income and expenditure forecasts, and source of income
 - Forecast repayment schedule for the term of the loan
 - Additional fundraising and income generating activities
- 3.5.7 The application must provide evidence that the loan has been approved by a majority of the members of the incorporated body through evidence of a motion through minutes.

4. APPLICATION PROCEDURE

- 4.1 Applications must be received in writing;
- 4.2 Loans will not be approved retrospectively;
- 4.3 Each application will be decided by the Council on its merit and in accordance with the general eligibility criteria outlined in this policy;
- 4.4 Should Council agree to provide a loan or act as guarantor, any terms and conditions must be specified in a loan agreement and signed by Council and the relevant party that is executed under Council's seal;
- 4.5 The applicant must be willing to pay all legal costs associated with establishing the loan;
- 4.6 Applicants are only permitted to apply once per annum.

5. RECORDS

Council must maintain all records in relation to community group and local organisation loans.

6. POLICY REVIEW

This Policy shall be reviewed at least every four years, or more frequently if legislation or Council requires.

DOCUMENT HISTORY:

| Version | Date | Description of change |
|----------------|---------------------|--|
| 1.0 | June 2015 - Min 275 | New Document. |
| 2.0 | September 2017 | Simplification, change of review timeframe, addition of principle, new template. |
| 3.0 | February 2022 | Change of name and template, content amended. |