

Loans (Advances) to Community Groups Policy

Policy Number: POL17/72 • **Adopted:** 15/08/2017 • **Minute Number:** MIN17.707 • **File:** 2990E • **Produced By:** Finance Corporate & Community Services Group • **Review Date:** 1/12/2020

1. PURPOSE

To provide financial assistance to community groups and organisations who occupy facilities on Council managed land by way of interest free, or low interest, loans.

2. STATEMENT

Council will consider providing financial assistance by way of interest free, or low interest, loans to community organisations and groups within the Shoalhaven Local Government Area for the purpose of exercising Council functions of providing community, sporting and recreational projects, services and facilities.

This policy is in accordance with section 356 of the NSW Local Government Act.

3. PROVISIONS

- 3.1. The community project or facility which is subject to the application for financial assistance is approved by Council and is located on Council owned or managed land;
- 3.2. The community group must be a 'not for profit' organisation and have an incorporated status;
- 3.3. The period for repayment of loans will be within a term of not more than 10 years;
- 3.4. Priority will be given to applications for financial assistance from community groups and organisations that:
 - Provide community, recreational projects, services and facilities which are available to all persons or a significant number of persons within the Council area and;
 - Include the contribution of funds by the community group or organisation, either cash or in kind. These must represent 33% of the capital cost of the project
- 3.5. Requests associated with meeting ongoing salary, rent, day to day operating costs or commercial undertakings will not be considered;
- 3.6. Council will undertake a due diligence review to establish the ability of the applicant to service loan interest and principal repayments;

- 3.7. Applications by community groups and organisations for loans from Council must provide a full description of the project, service or facility for which the loan is sought and include with the application the following:
- Annual audited income and expenditure statements for the last 2 years;
 - A copy of the community group or organisation's constitution or if not an incorporated association documentation detailing their legal authority and ability control funds
 - A copy of the minute passed at a meeting of the community group or organisation seeking a loan from Council
 - Plans, approvals quotes and other relevant documentation enabling the project to be undertaken
- 3.8. Applications will not be considered if a current liability exists to Shoalhaven City Council;
- 3.9. Applications should align with the Community Infrastructure Strategic Plan
- 3.10. Provision of a loan does not affect the ability of the applicant to seek additional grant funding from other organisations. Council would encourage seeking grants / funding from other organisations
- 3.11. A report will be prepared for Council prior to any monies being loaned

4. IMPLEMENTATION

The Finance, Corporate and Community Group will administer this policy.

5. REVIEW

To be reviewed within 1 year of the election of a new Council.