

**POLICY NO:** ~~85~~/97

**POLICY TITLE:** FINANCIAL ASSISTANCE TO COMMUNITY GROUPS - LOANS

**SECTION RESPONSIBLE:** CORPORATE & COMMUNITY SERVICES (FINANCE)

**MINUTE NO:** ~~4558~~/1827

**REVIEW DATE:** 30TH JUNE, 2010

**PURPOSE**

To provide financial assistance to community groups and organisations within the Shire by way of interest bearing loans.

**SCOPE**

Community groups and organisations within the Shire.

**RELEVANT PROVISIONS**

Section 356, Local Government Act 1993

**STATEMENT**

Council will consider providing financial assistance by way of interest bearing loans to community groups and organisations within the Greater Hume Shire Council area for the purposes of exercising Council functions of providing community, sporting, and recreational projects, services and facilities under the following guidelines:

1. The community project or facility which is subject of the application for a loan is approved by Council and is located on Council owned or controlled (usually Crown Land) community land.
2. Applications for loans will be considered up to a maximum of \$50,000, subject to the loan liability to the Council for any one community group not exceeding \$50,000 at any one time.
3. The interest rate for all loans shall be fixed at a rate of 5% per annum for the duration of the loan.
4. The period for repayment of loans will be within a term of not more than 10 years.

## FINANCIAL ASSISTANCE TO COMMUNITY GROUPS LOAN POLICY

5. The quantum of all loans approved shall not exceed \$250,000 at any one time. Should the maximum loan amount be reached applications from community groups and organisations will be considered by Council and placed on a waiting list until sufficient loan funds have been repaid.
6. Priority will be given to applications for financial assistance from community groups and organisations that:
  - a) Provide community, recreational and sporting projects, services and facilities that are available uniformly to all persons or a significant number of persons within the Council area and;
  - b) Include the contribution of funds by the community group or organisation, either cash or in kind.
8. Council will undertake a due diligence review to establish the ability of the applicant to service loan interest and principal repayments.
9. 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 3 years.
  - A copy of the community group or organisations constitution (not required if the community group or organisation is a Committee of Council constituted under section 355 of the Local Government Act).
  - A copy of the minute passed at a meeting of the community group or organisation seeking the loan from Council.
10. The full amount of any loan provided by Council under this policy must be drawn down in full within two years of being approved.

### POLICY DOCUMENT CONTROL

GHS Financial Assistance To Community Groups - Loans	First Edition	16 July 2008 Min 1558
GHS Financial Assistance To Community Groups - Loans	Revised	18 March 2009 Min 1827