

Loans to Community Organisations Management Policy

Reference number:	POL 010
Approval date:	22 May 2023
Policy owner:	Chief Financial Officer
Next review:	September 2025

The Loans to Community Organisations Management Policy aims to facilitate the ongoing improvements to facilities and development of community organisations in partnership with Council. This can be achieved in part through the provision of a loan in circumstances where the community organisation may lack the ability to fund the up-front capital cost of new or upgraded facilities which benefits the users of those facilities and of the community overall.

This Policy also recognises that Council has limited resources and is dependent on the development of cooperative arrangements with sporting clubs and other community organisations in the ongoing development and renewal of community assets. Seeking capital contributions from community organisations through the repayment of loans enables the development of community facilities that may not otherwise occur without such arrangements being made available.

The Loans to Community Organisations Management Policy is influenced by its corporate financial needs and objectives and is governed by the Local Government Act 1993. This policy aims to ensure that Council's funds are lent to community organisations undertaking projects in a financially responsible manner, and that the capital component of the loan is recovered in the agreed terms.

Purpose

The purpose of the Loans to Community Organisations Management Policy is to establish the guidelines that Council adopts when lending money to community organisations and undertaking projects. The objectives of this policy are to:

- enable community organisations who may be unable to access loans from financial institutions the opportunity to borrow funds for community facilities including but not limited to sporting grounds and facilities, community halls etc
- establish a framework for assessing loan applications by using standard templates
- set boundaries for exposure to market risk, credit risk and duration risk within the loan portfolio and the 'single party' exposure of the portfolio to individual organisations, by critically reviewing the organisation's financial capabilities to service the loan
- establish a framework for monitoring loans on an ongoing basis and report to Council on a monthly basis
- confirm delegations and other relevant governance matters in relation to Council's community loans.

Scope

This policy applies to all loans provided by Council to community organisations. The scope of the Policy is limited to loans to community organisations.

Council does not offer loans to any organisation which does not meet the definition of a community organisation.

Policy Provisions

1.1 Responsibilities

The Loans to Community Organisations Panel is responsible for ensuring the loan evaluation and subsequent recommendation to Council is based on the eligibility requirements under this policy. The Panel consists of:

- General Manager
- Chief Financial Officer
- An independent suitably qualified professional appointed at the discretion of the General Manager

A dedicated Council project manager will be assigned to the project to ensure project milestones are achieved. This is in addition to the community organisation's dedicated project manager for the project. Council's project manager will provide updates to Councillors on a monthly basis whilst the project is under construction.

The Chief Financial Officer is responsible for reporting to Council the loan particulars and of any defaults on a quarterly basis.

1.2 Reporting Requirements

All loan applications received will be reported to Council, either recommending or not recommending for funding to be approved.

Documentary evidence must be held for each loan and details thereof maintained in a loan register. The documentary evidence must provide Council with a clear audit trail of the loan assessment process.

All loans are to be appropriately recorded in Council's financial records and reconciled at least on a monthly basis.

A quarterly as noted in section 1.1 will be provided to Councillors detailing the loan portfolio in terms of holdings and compliance with loan terms.

Related Documents

- Debt Management Policy (POL 017)
- Loans to Community Organisations Application Form (Appendix A)
- Loans to Community Organisations Evaluation Form (for internal use)

Definitions

Term	Definition
Community Organisation	A not-for-profit organisation that is located in the Wagga Wagga Local Government Area
Council	Wagga Wagga City Council

Revision History

Revision number	Council resolution	Council meeting date
1	Res No: 16/148.11	27 June 2016
2	Res No: 17/279	28 August 2017
3	Res No: 22/354	17 October 2022
4	Res No: 23/117	22 May 2023

Appendix A



Loans to Community Organisations

PO Box 20, Wagga Wagga NSW 2650
Cnr Baylis Street and Morrow Street,
Wagga Wagga NSW 2650
Tel: 02 6926 9100 | Fax: 02 6926 9199
Email: council@wagga.nsw.gov.au

Loans to Community Organisations

Application Form

Applicant details		
Name of organisation		
ABN		
President		
Directors		
Related Parties <u>Related Party Definition:</u> Anyone that has control, joint control or has significant influence over the organisation. Please include any major sponsors, major suppliers.		
Primary contact person		
Address		
Contact details	Phone: Email:	Mobile:
Date of application		

About your organisation	
Does the applicant organisation operate in the local government area?	☐ Yes ☐ No
Has the organisation received funding from Council previously?	☐ Yes ☐ No
If yes, please advise year and amount.	Year
	Amount
Is membership or participation in the organisation or its activities generally open to all Council residents?	☐ Yes ☐ No
How many members does your organisation have?	
What are the objectives of your organisation/role within the community?	

Project details	
Project name	
Project location	
Amount requested	\$
Does your project address any of the following? (Tick as many as apply. You may have more)	☐ Capital works which add long term value to community facilities. ☐ Structural or minor upgrades to community facilities. ☐ Current WHS or risk management issues.
Anticipated project start date	
Anticipated completion date	
Project Details	
Please provide a brief description of your project.	
Who will benefit from your project? i.e. members of the group, the whole community etc	

The following documents must accompany your application:			
Please tick			
☐ Copy of organisations current Constitution.			
☐ Financial statements for the previous 2 years, including income statements and balance sheets.			
☐ Proof of organisation structure. i.e. Certificate of Incorporation.			
☐ Proof of ABN.			
☐ Copy of your projects detailed budget.			
☐ Minute from meeting authorising the application for loan funds to undertake the project.			
☐ Copy of applications to other funding bodies.			
Financial information and budget			
Please summarise the budget amounts in the following table.			
Income Please outline all funding sources		Expenditure List main purchases under categories that apply	
Amount requested from Council	\$		\$
Cash contribution from your organisation	\$		\$
In Kind contribution (Your cash and in-kind contribution should match Council's contribution).	\$		\$
Funds from other sources (Please specify i.e. sponsorship, donations)	\$		\$
Total income	\$	Total expenditure	\$

Please explain the nature of the In-kind contribution and how you calculated the value.

If it is not already set out your detailed budget, costs should be based on reasonable commercial rates. Eg. Basic labourer 4 hours x \$30 per hour = \$120 in-kind value.

Funding acknowledgement

If successfully funded, explain how your organisation will acknowledge councils contribution to the project? Tick all that are applicable.

- | | |
|--|--|
| ☐ Media articles in newspapers/newsletter | ☐ Photographs |
| ☐ Signage and banners | ☐ Notification on organisation/club website |
| ☐ Invitation to official opening of project | ☐ Other (please specify) |

Declaration

I state that the information in this loan application is to the best of my knowledge, true and correct. I understand that this is an application only and may not necessarily result in funding approval.

Name: _____ Position: _____

Signature: _____ Date: _____

Lodging your Loan application

- Please ensure you have completed the application in its entirety, including providing all documents required by Council
- Please sign and date the application
- Please submit \$100 application fee with this application

There are a number of ways in which you may lodge your application with Wagga Wagga City Council – if submitting application by post or email, please contact 1300 2 WAGGA to arrange to have the application fee processed.

By post

Wagga Wagga City Council Attention: Chief Financial Officer

PO Box 20

WAGGA WAGGA NSW 2650

By E-mail

Email applications to council@wagga.nsw.gov.au

Attention: Chief Financial Officer

In person

Wagga Wagga City Council

Cnr Baylis Street and Morrow Street, Wagga Wagga