



## Community Group Loans Policy

Strategic Reference	Vibrant, cohesive, diverse community providing a healthy, quality lifestyle
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Relevant Legislation	
Related Policies	
Related Procedures	

### 1 Policy objective

The District Council of Yankalilla's charter includes:

- Improving the social, physical and economic well-being of the community.
- Taking responsibility for the stewardship of the district and its community.
- Exercising leadership, enterprise, integrity and judgement in directing the district, so as to provide assurance of its continuing and lasting prosperity.
- Applying the highest standards of corporate governance, acting in the best interests of the community and in a manner that is transparent, accountable and responsible.

Council values and recognises the role of community groups within the Council area and endeavors to support them in a variety of ways. This policy covers the provision of loans as one form of assistance available to qualifying community groups.

### 2 Policy statement

The community loans program provides a support mechanism for community groups within the Yankalilla district. It is intended to:

- Promote participation in local community activities of recreation and sport, cultural activities, community development, lifelong learning, social and welfare activities.
- Financially assist groups based in Yankalilla district.

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- Promote community pride in the Yankalilla district.
- Assist target groups of special need such residents with disabilities, and mature age residents.

Council will administer the Community Loans program with transparency and accountability and promote it across the district in an equitable manner.

### 3 Eligibility criteria

Loan applications must satisfy the following criteria:

- Applications must be for projects based within The Yankalilla District Council area
- Applicants must be incorporated and have an established management structure that can responsibly manage the expenditure of the loan funds or be auspiced by such a group.
- The project must benefit a range of people in the community
- Loans will be used for capital improvements or any other reason upon council's approval.
- The repayment period should not exceed 10 years
- The loan funding should only account for up to 50% of the overall project cost, inclusive of in-kind support
- The application must clearly demonstrate the capacity to repay the loan, including:
  - Detailed expenditure and revenue forecast budget for term of loan
  - Forecast repayment schedule for term of loan
  - Additional fundraising and income generating activities
  - Evidence of sound governance procedures
- The application must provide evidence that the loan application has been approved by a majority of the community groups' members (minutes of special meeting extending beyond committee)
- Any group making an application under this Policy will be required to attend either a briefing session or Council meeting to present their application and respond to Elected Member queries

### 4 Allocation of loans

For the purpose of this policy, loans are described as "the lending of money with interest, to organisations with an agreement for these funds to be re-paid within a given period of time".

Loan applications will be considered from community groups that:

- Demonstrate little capacity to earn funds as a result of their normal activities
- Have membership or work which is provided predominantly by volunteers
- Are developing an asset on Council property
- Have limited capacity to obtain funding from other sources

## **Community Group Loan Policy**

In relation to loan options, Council may agree to:

- Act as guarantor for the organisation
- Borrow funds from the Local Government Finance Authority (LGFA) on behalf of the organisation
- Loan funds from its existing cash reserves

### **5 Conditions of application**

- One application per financial year will be considered
- Applications must be received on the prescribed application form which is available for download from [www.yankalilla.sa.gov.au](http://www.yankalilla.sa.gov.au)
- Loans will not be approved retrospectively
- Each application will be decided on its merit and in accordance with the general eligible criteria as outlined in this policy
- Where the application relates to an asset the organisation may be required to demonstrate that effort is being made to care for the facilities and grounds, within the financial capability of the organisation
- Individuals and “for profit” enterprises will not be considered

### **6 Conditions attached to a loan**

Council has the right to attach conditions to the loan at its absolute discretion. The following standard conditions will normally apply:

- The project for which the funds have been borrowed will be completed within 12 months of the funding being received
- The group may be required to provide an annual business plan and budget, an acquittal report and/or regular cash flow statements throughout the period of the loan
- If the funds are not expended in the manner described in the application, Council has the right to recall the debt at any stage
- An onus on the group to advise Council as soon as possible of any changes to office bearers and changes in circumstances which may reduce the capacity to repay the debt
- The group may be required to carry insurance against defaulting on the loan
- Appropriate acknowledgement of the support of Council will be given in promotional material and reports
- At the end of the project Council will receive a written report of the project, including and expenditure statement

### **7 Further information**

This policy will be available for inspection at the Council office listed below during ordinary business hours and provided to interested parties as per Council's Fees and Charges

## Community Group Loan Policy

Register. Copies are available to be downloaded, free of charge, from Council's internet site: [www.yankalilla.sa.gov.au](http://www.yankalilla.sa.gov.au)

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### **8 Grievances**

Any grievances in relation to this policy or its application should be forwarded in writing addressed to the Chief Executive of Council.