

PROVISION OF LOANS TO SPORTING AND COMMUNITY ASSOCIATIONS

POLICY

POL-FCM 03

Objective:

To outline fair and equitable guidelines for the provision of loan requirements to sporting clubs/associations and community groups.

Statement:

The City may make loans available to sporting and community associations in accordance with the following principles:

- Loans will only be made available to organisations for the upgrade or refurbishment of existing City of Mandurah community infrastructure or for the purchase of capital items specific to the improvement and/or maintenance of the asset.
- Loans will not be made available as a capital contribution to the development of new facilities or to assist with day-to-day operating matters.
- Organisations must make sufficient data available to demonstrate a capacity to repay loans through the provision of but not limited to relevant Business Plans, Audited Financial Statements and other necessary documentation.
- Loans, and conditions of repayment, must be approved by Council. Budget adoption does not signify approval for a loan.
- Minor requirements up to \$50,000 may be funded on an interest free basis from the City's interest-free loan reserve.
- Where the City accesses borrowings to provide for an organisation's requirements, the cost of borrowings may be passed on to the organisation.
- The City reserves the right to seek guarantors for loans.
- Where a loan obligation exists, leases and licences will be amended to state that default on repayments, or failure to comply with loan conditions, may be considered as a lease termination event.

Responsible Directorate:	Corporate Services
Reviewer:	Manager Financial Services
Creation date:	Minute G.45/8/01, 21 August 2001
Amendments:	Minute G.43/12/09, 15 December 2009 Minute G.35/2/15, 24 February 2015 Minute G.12/7/19, 23 July 2019
Related Documentation and/or Legislation:	<i>Local Government Act 1995</i>