SHIRE OF HARVEY

A Breath of Fresh Air

Policy 2.2.7 – Loans – Self-Supporting

1. Policy Purpose

This policy establishes the framework within which the Shire of Harvey (Shire) may consider provision of self-supporting loans to community or sporting clubs, subject to the financial position of the Shire, prevailing budget circumstances, forecast funding requirements for municipal and capital projects, competing demands for funds, debt financing structure and capacity of the Shire to borrow.

2. Policy Scope

This Policy applies to all requests received from community-based organisations or sporting clubs currently resident and operative within the Shire of Harvey.

3. Policy

3.1. Applications for Self-Supporting Loans

Self-supporting loans will only be considered for capital asset acquisition or development and will not be approved by the Council for operational equipment or operating expense purposes.

The Council will only consider applications where the applicant has exhausted all other financial avenues, such as grants, sponsorship, fundraising or application for credit from a lending institution.

Guarantors, legally bound by contract, will be required for all self-supporting loans.

Community clubs/organisations requesting self-supporting loans must provide with their request a copy of their last year's audited financial statement and current year's budget which will demonstrate the club's/organisation's ability to repay the loan funds advanced.

3.2. Deed of Loan

Where a self-supporting loan for a particular club or organisation is raised, a separate "Deed of Loan" for the period of loan repayments is to be prepared and executed as contractual evidence for repayment of the loan.

The costs associated with the preparation and stamping of the "Deed of Loan" shall be the responsibility of the club or organisation.

3.3. Administration Costs and Loan Guarantee Fees

The Following costs incurred by the Shire will be recouped from the clubs or organisations applying for self-supporting loans:

- Actual advertising costs (including GST).
- Costs associated with the preparation and stamping of the 'Deed of Loan'.
- Loan Establishment Fee and Service Fee as determined by the council when setting the fees and charges.
- Any other additional charges associated with the self-supporting loan.

3.4 Loan Conditions.

- The Shire may at any time during the period of the loan request that the club/organisation which acquired the funds provide financial statements and budgets of their club/organisation.
- The community-based organisation/clubs must insure and keep insured the capital asset acquired and any other assets that are security over repayment of a loan. Failure to do so constitutes default.
- Defaulting on the loan may result in the lease between the Shire and the applicant for the land or buildings being cancelled.

4. Strategic Objective

The policy aligns with the following strategic objective**:**

	Performance A representative leadership that is future thinking, transparent and accountable.

5. Definitions

Nil.

6. Legislation

- *Local Government Act 1995 s.* 6.20 and 6.21
- Local Government (Financial Management) Regulations 1996 r. 20, 21, 29 and 48

7. Related Documents

- Australian Accounting Standards. AASB 9 – Financial Instruments

Responsible officer	Director Corporate Services		
Responsible team	Finance		
Responsible area	Corporate Services		
Version control	Date	Resolution	Number
Version 1	24.03.1997	Resolution	
Version 2	09.05.2000	Resolution	14400/12
Version 3	12.08.2008	Resolution	08/350
Version 4	15.09.2015	Resolution	15/264
Version 5	22.01.2019	Resolution	19/020
Version 6	23.05.2023	Resolution	23/068
Version 7	28.07.2026	Resolution	26/156