



SELF SUPPORTING LOANS

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1. OBJECTIVE

1. To provide community organisations with an opportunity to raise loan funds through Council at competitive rates.
2. To ensure that applicants applying for such loans adequately address the relevant criteria.

2. PRINCIPLES

Guidelines

- Applications for self-supporting loans must be made in writing to the Chief Executive Officer, City of Karratha, PO Box 219, Karratha WA 6714.
- Assessment of application will be based on:
 1. Perceived ability for loan to be repaid in full, and for repayments to be made on time.
 2. Clubs/associations to provide audited financial statements for the preceding 3 years demonstrating their financial viability.
 3. Ensuring that there is a perceived benefit to the wider community from the grant being given.
 4. Clubs/associations must have been in existence for 5 years and clearly demonstrated a stabilised or increased membership.
 5. Clubs/associations must clearly demonstrate an ability to remain a viable entity for a minimum of 3 years after the duration of the loan.
- Clubs/associations must provide Council with an end of year independently audited financial statement for each year of the loan.
- Clubs/associations must produce at Council's request, a current profit and loss statement within three weeks of a request being made (Note: this in addition to point 3 above).
- Any Club who defaults on a loan, is not permitted to receive any further self-supporting loans from Council until the outstanding loan is repaid in full.

In exceptional circumstances this may be reviewed, but not until the time frame allowed for the initial loan expires. Therefore, if a loan has been taken over 10 years, and after 6 years it can no longer be re-paid, no loans will be granted to this club under any circumstances for a further 4 years.

Council will not grant a further loan to any club/association who have an outstanding loan owing.

- Clubs/associations will need to provide adequate security.
- No Club/association can have more than one interest free loan at one time.
- Any default of loan re-payment will incur a cost to the club/association of 10% per annum, unless arrangements have been made with Council, prior to the re-payment being defaulted.

3. CONSEQUENCES

This policy represents the formal policy and expected standards of the Council. Appropriate approvals need to be obtained prior to any deviation from the policy. Elected Members and Employees are reminded of their obligations under the Council's Code of Conduct to give full effect to the lawful policies, decisions and practices of the Council.

4. REFERENCES TO RELATED DOCUMENTS

Nil

Policy Number:	CS-14
Previous Policy Number:	EXE-26
Resolution Numbers:	10259-Apr 1997; 12738-Sep 2002, 13497-Oct 2004; 14223-Oct 2007; 151979-Apr 2012
Last Review:	April 2012
Next Review:	April 2015
Responsible Officer:	Director Community Services

This Policy takes effect from the date of adoption by Council and shall remain valid until it is amended or deleted.