

FILE NO: PSC2011-02343

TITLE: COMMUNITY GROUP LOANS POLICY

POLICY OWNER: COMMUNITY & RECREATION CO-ORDINATOR

PURPOSE:

To provide access to funding through the provision of available loans for improvements to community, cultural, sport and recreation facilities in the Port Stephens Local Government Area.

CONTEXT/BACKGROUND:

This policy applies to groups seeking to develop buildings or facilities that are Council owned; under Council's Care, Control or Management; under Council's Trusteeship, provides services to the local community or responsibility has been devolved to Council by some form of legislation.

SCOPE:

The Community and Recreation Loans Reserve will be self-supporting over time with repayments to the reserve used to fund further allocation. The Reserves upper limit will be \$200,000.

This policy assists community groups that are operating and providing services in the Port Stephens Local Government Area and enables Council's assets to be enhanced, improved and maintained in a good state of repair.

DEFINITIONS:

Loan - The act of giving money, property or other material goods to a another party in exchange for future repayment of the principal amount along with interest or other finance charges.

Interest - The charge for the privilege of borrowing money, typically expressed as an annual percentage rate.

POLICY STATEMENT:

1. The Community Group Loans is to provide an accessible fund where groups and clubs can borrow funds at low interest rates for approved projects. This will assist community groups to improve and develop Council's facilities to support community activities in the Local Government Area.
2. This policy is made possible by a reserve of \$200,000 so loan funds can be drawn upon and Council's financial position managed appropriately.
 - a) Interest rates are to be set at Indicative Borrowing Rate for Local Government Authorities (IBRLGA) applicable on the day of approval of recommendation by the Group Manager of the respective Group.
 - b) For projects that are Asset Rehabilitation and are in Port Stephens Council's Asset Management Plans, the interest rate will be 50% of the IBRLGA.
 - c) The interest from Community and Recreation Loans Vote, being equal to Indicative Borrowing Rates for Local Government Authorities, is paid to Council on a quarterly basis (except for Asset Rehabilitation Projects).
3. Interest to be fixed for the term of the loan.
4. Loans to be for a maximum of 84 months.
5. Loans have a minimum of \$2,000 and an upper limit of \$75,000. Any increase of this amount will require a formal resolution of Council.
6. Should a club or group default on loan payments, Council has the right to take whatever action it considers necessary to recover the funds. In extreme cases, Council may consider closing the use of the facilities to the club or community group in default and taking legal action to recover funds.

POLICY RESPONSIBILITIES:

Community & Recreation Co-ordinator – Responsible for the overall implementation of the policy.

Management Accounting Co-ordinator – Responsible for monitoring the Community and Recreation Loans Reserve and ensuring payments are received.

RELATED DOCUMENTS:

LGA Act 1993
Code of Conduct
PSC Financial Assistance Policy

CONTROLLED DOCUMENT INFORMATION:

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TRIM container No	PSC2015-01000	TRIM record No	293
Audience	Financial Services Section, PSC staff, local Community Groups and Sporting Clubs		
Process owner	Community & Recreation Co-ordinator		
Author	Brendan Callander		
Review timeframe	Every 4 Years	Next review date	11/8/2019
Adoption date	14/7/15		

VERSION HISTORY:

Version	Date	Author	Details	Minute No.
1	26/06/2007	Jason Linnane		158
2	14/07/2015	John Maretich	Updated Community Group Loans Policy does not change the existing policy's intent and only updates the format of the policy	196