

Wagga Wagga City Council

LOANS TO COMMUNITY ORGANISATIONS MANAGEMENT POLICY

REFERENCE NUMBER	POL 010	
ORIGINAL APPROVAL DATE	June 2016	
RESPONSIBLE MANAGER	Community Services Manager	
RESPONSIBLE DIRECTORATE	Community	
This document is to be reviewed every year. Next review date: August 2018		
Revision number	Council Resolution	Council Meeting Date
1	Res No: 16/148.11	27 June 2016
2	Res No: 17/279	28 August 2017

PART 1: INTRODUCTION

The Loans to Community Organisations Management Policy aims to facilitate the ongoing improvements to facilities and development of Community Organisations in partnership with Council. This can be achieved in part through the provision of a loan in circumstances where the Community Organisation may lack the ability to fund the up-front capital cost of new or upgraded facilities which benefits the users of those facilities and of the community overall.

This Policy also recognises that Council has limited resources and is dependent on the development of cooperative arrangements with sporting clubs and other community organisations in the ongoing development and renewal of community assets. Seeking capital contributions from Community Organisations through the repayment of loans enables the development of community facilities which may not otherwise occur without such arrangements being made available.

The Loans to Community Organisations Management Policy is influenced by its corporate financial needs and objectives and is governed by the Local Government Act 1993. The policy aims to ensure that Council's funds are lent to Community Organisations undertaking projects in a financially responsible manner, and that the capital component of the loan is recovered in the agreed terms.

1.1 Policy Objectives

The purpose of the Loans to Community Organisations Management Policy is to establish the guidelines that Council adopts when lending money to community organisations and undertaking projects. The objectives of this policy are:

- to enable community organisations who may be unable to access loans from financial institutions the opportunity to borrow funds for community facilities including but not limited to sporting grounds and facilities, community halls etc.
- to establish a framework for assessing loan applications by using standard templates;
- to set boundaries for exposure to market risk, credit risk and duration risk within the loan portfolio and the 'single party' exposure of the portfolio to individual organisations, by critically reviewing the organisation's financial capabilities to service the loan;
- to establish a framework for monitoring loans on an ongoing basis and report to Council on a monthly basis; and
- to confirm delegations and other relevant governance matters in relation to Council's community loans.

1.2 Scope of Policy

This policy applies to all loans provided by Council to Community Organisations. The scope of the Policy is limited to loans to Community Organisations.

Council does not offer loans to any organisation which does not meet the definition of a Community Organisation.

1.3 Definitions

Community Organisation – For the purposes of this policy, a community organisation is a not-for-profit organisation that is located in the Wagga Wagga Local Government area.

1.4 Related Documents

This Policy should be applied in conjunction with the Loans to Community Organisations Management Procedures.

1.5 Responsibilities

The Director of Corporate Services and Manager of Finance are responsible for ensuring that this policy is implemented.

1.6 Reporting Requirements

Documentary evidence must be held for each loan and details thereof maintained in a loan register. The documentary evidence must provide Council with a clear audit trail of the loan assessment process.

All loans are to be appropriately recorded in Council's financial records and reconciled at least on a monthly basis.

A monthly report will be provided to Council. The report will detail the loan portfolio in terms of holdings and compliance with loan terms. Council may nominate additional content for reporting.

1.7 Review procedures

The Loans to Community Organisations Management Policy will be reviewed every 12 months in conjunction with the Loans to Community Organisations Management Procedures.

Any amendment to the Loans to Community Organisations Management Policy must be by Council resolution.