

Purpose

To provide funding by an interest free loan to sporting and community organisations to upgrade their facilities. Funds will generally be available for permanent improvements or renovations thereto, or for purchase of appropriate large items of specialised plant greater than \$2,500.

Policy

Eligibility Criteria

1. Applicant must provide evidence of the organisation's strategic plan in relation to the project, budget planning incorporating financial statements, and consultation with members (and proof of endorsement) regarding the proposed improvements and the loan responsibility.
2. Projects are for permanent improvements, items considered to be fixed to a structure or appropriate large items of specialised plant at a value greater than \$2500. The project purpose must enhance the activity of sporting/community organisations within the Hinchinbrook Shire. Structural renovations or improvements of a fixed nature will be funded. Maintenance or minor repairs will not be funded.
3. Applicants must submit an application for funding to other relevant funding programs for the project in the first instance. In relation to this application, the Council may commit to provide a certain level of funding providing the project proceeds. The rationale for this is to maximise funding received from other funding bodies.
4. This funding may be used with other funding programs.
5. Council prefers to be a lender of last resort.
6. Applicants must be an incorporated and not for profit organisation.
7. In respect of projects for permanent improvements or items considered to be fixed to a structure, applicants must demonstrate that they have authority to continue to operate at that location beyond the term of the repayment of the interest free loan. Documentation must also be provided demonstrating support from the owner of the land on which the improvements will be undertaken. Approval of the interest free loan does not have any relevance to the building application approval process which must be followed. Funds will not be released until building approval is granted.
8. In respect of projects for purchase of plant, the applicant must supply appropriate documentation to the Council to verify the ownership and mechanical soundness of the item of plant.
9. Quotes or supporting evidence of the costs of the project must be submitted with the application.
10. Applicant must be able to repay the loan within a maximum period of five (5) years with three (3) years or less being Council's preferred term.

Maximum Value for Interest Free Loan

A maximum value of \$10,000 shall apply to interest free loans granted and only where special circumstances apply shall consideration be given to interest free loans above \$10,000.

Electronic version current. Uncontrolled Copy current only at time of printing

Policy Number:

Authorised By: Finance Manager

Document Maintained By: Financial Services

Version No: 1.0

Initial Date of Adoption: 10th August, 2009

Current Version Adopted: 10th August, 2009

Next Review Date: June, 2010

Conditions applying for purchase of plant

The conditions outlined below apply in respect of an interest free loan provided for the purchase of plant for the period of time during which monies are outstanding to the Council.

- (i) The applicant shall keep, repair and maintain the said plant in good repair and condition.
- (ii) That if any monies that are due and payable to the Council are in default, the applicant shall forthwith deliver the item of plant to the Council for any action that it deems fit, including the sale thereof. Where the item of plant is not delivered to Council, Council has the right to collect the item of plant. If the sale proceeds are greater than the monies due and payable to the Council, together with the costs associated with the sale (including any costs to collect the item of plant), the amount of surplus will be returned to the applicant.
- (iii) The applicant indemnifies and agrees to keep indemnified the Council against any claim arising out of or in any connection with this transaction from the date of provision of the interest free loan, or any activity associated with the use of the item of plant (all referred to as "the indemnified acts or omissions") to the extent that the claim arises as a result of any negligent act or omission of the parties, however, any negligent act or omission of one of the parties does not negate the indemnity to the other parties. The applicant releases and discharges the Council from any claim relating to the indemnified acts or omissions.
- (iv) The applicant shall during the term of this agreement until such time as all monies due and payable to the Council have been received by the Council, insure and keep insured in some public insurance office, the item of plant against loss or damage by fire, storm, tempest and theft to its full insurable value and will cause all monies received by virtue of such insurance to be forthwith laid out in re-instating the said item of plant so destroyed or damaged as aforesaid. A copy of the certificate of currency must be supplied to the Council throughout the period of the loan.
- (v) The applicant must have in place a public risk policy of insurance in the amount of \$10,000,000 (\$10 million) in respect of any liability at law, for any loss of or damage to any property or for the injury (including death) to any person arising out of anything done or omitted in respect of the use of the item of plant and against any claims, demands, proceedings, costs, charges and expenses whatsoever in respect thereof. A copy of the certificate of currency must be supplied to the Council throughout the period of the loan.
- (vi) The Council shall have the right from time to time personally or by their duly authorised agent or agents to enter upon land occupied by the applicant and all reasonable times to view and examine the condition of the item of plant and may give to the applicant not less than 48 hours notice in writing, specifying any repairs necessary to be done and requiring the applicant forthwith to execute the same and if the applicant shall not proceed diligently with the execution of such repairs, the Council may after the expiration of the period of notice enter upon the said land and execute such repairs and the costs thereof shall be a debt due from the applicant to the Council and be forthwith recoverable by action.

Electronic version current. Uncontrolled Copy current only at time of printing

Policy Number:

Authorised By: Finance Manager

Document Maintained By: Financial Services

Version No: 1.0

Initial Date of Adoption: 10th August, 2009

Current Version Adopted: 10th August, 2009

Next Review Date: June, 2010

Budget Allocation

The amount of financial assistance to be circulating at any one time to applicants for interest free loans will be limited to the adopted budget allocation. While the Council reserves the right to determine the budget allocation each year and considering special circumstances, the initial budget allocation at commencement of the policy is \$50,000.

Application & Approval Process

1. Applications can be submitted at any time.
2. Applications must be submitted using the Council application form.
3. Eligibility criteria must be addressed in the application.
4. A copy of the latest audited financial statements for the organisation must be attached.
5. Where the application relates to part of a larger project with other funding applications, Council is to determine the allocation of interest free loan to the applicant so that same may be included in the other applications for funding if applicable. Such allocations shall be committed "in principle" by the Council subject to the project proceeding.
6. Approved interest free loans will be paid to the organisation by electronic funds transfer to the bank account details provided on the application form.
7. The interest free loan must be used for the purpose for which it was given and must be spent within six (6) months from date of payment of the interest free loan, unless otherwise agreed in writing.
8. A statement of expenditure signed by two executive members of the association must be received with copies of invoices and supporting documentation of the expenditure provided within two (2) months of completion date. A progress report may be required at the discretion of the Council.

Authority to Approve Applications

Generally a report of applications received will be prepared for Council consideration to decide which applications are approved. Where timeframes of Council meetings do not allow a decision to be given to the applicant within required timeframes, Council delegates authority to the Finance Manager to make an interim decision on applications which may be ratified at a future Council meeting.

Electronic version current. Uncontrolled Copy current only at time of printing

Policy Number:

Authorised By: Finance Manager

Document Maintained By: Financial Services

Version No: 1.0
Initial Date of Adoption: 10th August, 2009
Current Version Adopted: 10th August, 2009
Next Review Date: June, 2010

1. ORGANISATIONAL DETAILS

Name of Organisation:

ABN:

Please P one: GST Registered ☐ - Yes ☐ - No
 Income tax Exempt ☐ - Yes ☐ - No

Bank Account details: **BSB** _ _ _ / _ _ _ **Account**

Postal Address:

Street Address:

Email Address:

Contact Person:
 (For enquiries regarding the application)

Contact Phone No. (Business hours):

Position in Organisation:

Contact Email:

Accountable Officer:
 (The accountable officer should be the President or Chairperson of the Management Committee of the incorporated body)

Contact Phone No. (Business hours):

Position in Organisation:

2. PRIMARY PURPOSE GRANT

.....

Please attach additional page, if above space is insufficient.

Electronic version current. Uncontrolled Copy current only at time of printing

Policy Number:
 Authorised By: Finance Manager
 Document Maintained By: Financial Services

Version No: 1.0
 Initial Date of Adoption: 10th August, 2009
 Current Version Adopted: 10th August, 2009
 Next Review Date: June, 2010

3. BUDGET ITEMS

Please list items for which grant is sought and the cost of each item in priority order. A copy of the selected quotation for each item listed should be attached, and a breakdown of costs for projects must be outlined.

Budget Item	Quotation or Estimate	\$ Total Cost	\$ Total Cost less GST
Total Project Cost			
Less organisation's contribution to project			
Less other funding			
Total Funds Sought (maximum \$10,000 unless special circumstances)			

Where other funding has been included provide details:-

Funding Program	Approved (Yes/No if No include expected date of advice)	Value of Funding application	Additional Comments

Electronic version current. Uncontrolled Copy current only at time of printing

Policy Number:

Authorised By: Finance Manager

Document Maintained By: Financial Services

Version No: 1.0
Initial Date of Adoption: 10th August, 2009
Current Version Adopted: 10th August, 2009
Next Review Date: June, 2010

Where the project includes funding from different sources and the funding has not yet been approved, will the project proceed if any of the other funding programs is not successful? YES/NO
If Yes, how will this shortfall be funded?

Is this a request for in principal approval to include in an external funding application?
Yes/No

5. REPAYMENT OF INTEREST FREE LOAN

REPAYMENT PERIOD	TOTAL ANNUAL VALUE REPAID
Year 1	\$
Year 2	\$
Year 3	\$
Year 4	\$
Year 5	\$
TOTAL (must equal total interest free loan amount sought)	\$

Council's preferred repayment timeframe is 3 years or less, but the maximum repayment period is 5 years. Loan repayments must be made Weekly, Fortnightly or Monthly.

SELECT REPAYMENT FREQUENCY :-

☐ Weekly
☐ Fortnightly
☐ Monthly

Electronic version current. Uncontrolled Copy current only at time of printing

Policy Number:

Authorised By: Finance Manager

Document Maintained By: Financial Services

Version No: 1.0
Initial Date of Adoption: 10th August, 2009
Current Version Adopted: 10th August, 2009
Next Review Date: June, 2010

4. OTHER SUPPORTING DOCUMENTATION

- Copy of last audited financial statements are required to be attached
- Copy of the Association's Strategic Plan, Budget planning and consultation with members of the proposed project and loan responsibility.
- Details of applications made for other sources of funding and the outcome of the applications. Eg. unsuccessful funding applications.
- Signed letter of support from the owner of the land which should detail the real property description.
- Documentation proving not for profit status of the organisation.
- Building approvals not required prior to approval of the application but must be provided prior to release of the interest free loan.

5. CERTIFICATION

Declaration of acceptance of Hinchinbrook Shire Council's Interest Free Loan for Community/Sporting Groups terms and conditions:-

If the interest free loan application is approved, your organisation agrees to the following terms and conditions:

1. The interest free loan will be used for the purpose for which it was given and will be spent in accordance with the loan approval within six (6) months, unless otherwise agreed in writing;
2. A simple project completion report including copies of invoices and supporting documentation for goods and/or services purchased will be provided to the Hinchinbrook Shire Council within two (2) months of completion of the project;
3. The Council reserves the right to require a Progress Report on the project to be submitted, which shall include copies of invoices and supporting documentation, at any time prior to project completion, and which shall be provided by the organisation;
4. Unspent funds of \$100 or more will be returned to the Hinchinbrook Shire Council within eight (8) months of the loan being awarded, unless otherwise agreed in writing. Cheques should be made payable to Hinchinbrook Shire Council;
5. If there is to be any delay in spending the loan, a written request will be made seeking approval for the extension of time. This will be done within six (6) months of receiving formal notification of loan approval.
6. The project, or any component of the project forming part of the application, will not be started before formal notification of loan approval by the Hinchinbrook Shire Council. If, for any reason, the project is to be started before notification, the organisation will contact the Hinchinbrook Shire Council before the project starts;
7. It is the responsibility of the organisation to ensure adequate insurance cover for the project;
8. The organisation will acknowledge the contribution of Hinchinbrook Shire Council;
9. Any special conditions that are attached to the loan will be met;
10. Where the project relates to purchase of plant or equipment, the conditions detailed in the policy have been read, understood and agreed;
11. All relevant records of the project will be kept for a period of seven (7) years, and will be made available for audit at any time.

12. If an ABN has not been provided, I declare that the organisation:

- Is not eligible for an ABN because it does not meet the definition of the 'enterprise' for tax purposes; or
- Has 'exempt income' status; or
- Has had its application for ABN rejected by the Australian Taxation Office

I have read and agree to the terms and conditions set above. I certify that all the information provided is current and correct, and I give permission to Hinchinbrook Shire Council to contact any person or organisation in the processing of this application.

Signed for and on behalf of the organisation or sponsor. Only the Chairperson or President, and the Secretary/Treasurer of the organisation which is to receive the loan should sign.

.....
Full name of Accountable Officer

.....
Position in Organisation

.....
Signature

.....
Date

.....
Full name of Secretary/Treasurer

.....
Position in Organisation

.....
Signature

.....
Date

Electronic version current. Uncontrolled Copy current only at time of printing

Policy Number:

Authorised By: Finance Manager

Document Maintained By: Financial Services

Version No: 1.0
Initial Date of Adoption: 10th August, 2009
Current Version Adopted: 10th August, 2009
Next Review Date: June, 2010