



POLICY MANUAL

Policy title:	COMMUNITY LOANS
Policy number:	1.4.22
Objective:	<p>a) To provide eligible community groups with financial assistance to support their activities;</p> <p>b) To support activities that will benefit the Lismore local government area community; and</p> <p>c) To achieve the aspirations and objectives of the Community Strategic Plan</p>
Link to community vision/service:	Leadership and participation
Program Area:	Finance
Policy created: 8/8/17	Council reviewed: 10/10/17
Last reviewed by staff: 27/9/17	TRIM Ref: ED17/16759

Objectives

1. To provide eligible community groups with financial assistance to support their activities;
2. To support activities that will benefit the Lismore local government area community; and
3. To achieve the aspirations and objectives of the Community Strategic Plan.

Eligibility

1. Community organisations and groups which operate within the Lismore local government area.

Application

1. Minimum loan amount is \$10,000 and maximum loan amount is \$100,000;
2. The applicant to provide:-
 1. Last two years audited financial reports and current years financial report;
 2. Next two years operating budget;
 3. Business case to support the loan application; and
 4. Security offered for the loan.
3. Evidence that they have approached their own financial institution for a loan and been either declined or the conditions of approval onerous.

Assessment

1. Consideration shall be given to:-

- i. Capacity to repay loan based on financial information and business case submitted;
 - ii. The effectiveness of the security offered to secure the loan;
 - iii. Impact the project will have on the community served by the applicant;
 - iv. The number of potential beneficiaries from the proposed project
 - v. The availability of other funding sources; and
 - vi. The resources/facilities to be made available to the community.
2. All requests are subject funding being available from a) specific Budget in the annual operational plan or quarterly budget review statements, b) Available Funds Reserve – cash component or c) external borrowings.

Terms and Conditions

1. Repayments to include principal and interest;
2. Interest rate applicable would be calculated using the interest rate received on investments or external borrowings at the time of the loan plus a margin of 0.5%;
3. Interest rate applicable be reviewed annually;
4. Minimum number of loan repayments per annum is 6;
5. Minimise loan period;
6. Applicant must advise of potential or actual significant changes in financial circumstance which may affect capacity to repay the loan; and
7. Annual review of loan terms and conditions.

Determination

All requests will be considered and determined by the Council.

Policy Review

Reviewed at least once during each Council term.