
FP008 – Low Interest Capital Loans

1. Intention

To provide guidelines for financial assistance by way of low interest capital loans to local non-profit clubs or organisations for capital improvements, works to land, facilities or buildings owned or vested in the Shire of Waroona.

2. Scope

This policy applies throughout the district.

3. Statement

Council will attempt to assist local organisations (sporting or not for profit), where it has the financial capacity to do so, to raise funds for specific projects, where the Council has passed a resolution to support the proposed project.

All funds for the payment and receipt of Low Interest Loans pursuant to this policy shall be made via the appropriate reserve account.

3.1 Applications

All applications must include the following data as part of their application:

1. Details of the proposed works and undertakings and purpose of the loan.
2. Plans and specifications and statutory approvals, where applicable.
3. Detailed costings of the proposed project/works.
4. Statements demonstrating the need for the loan together with proof of inability to obtain alternative funds.
5. Audited financial statements of organisation for previous three years to demonstrate the ability of the organisation to repay the loan or such lesser financial documentation acceptable to Council.
6. Name(s) of guarantors(s).
7. Provide any other information requested by Council to assist with consideration of the application.

3.2 Council Approval

Where it is a local sporting organisation, Council's Finance & Audit Committee shall firstly consider such application for a low interest capital loan and then provide a recommendation to the Council for consideration.

Approved applicants shall be advised in writing of their success or otherwise and informed of the loan funds available date, after they have met all other criteria.

The Finance & Audit Committee acting as Trustees of public monies, shall fully research the ability of the applicant to repay the loans and shall require the guarantor(s) to ensure the protection of such public monies.

Should there be more than one applicant organisation, Council's Finance & Audit Committee shall consider and recommend to the Council the order of priority of all such applicants.

3.3 General Conditions and Criteria

- The land on which the development is proposed must be Crown Reserve or land owned or vested in the Municipal Council.
- All successful applicants shall enter into a legal agreement for the repayment of the loan upon acceptance of the conditions of the loan.
- All successful applicants shall confirm acceptance of the loan within thirty (30) days after the dispatch of the written letter of offer, or the allocation of such funds shall lapse.
- No Application/Registration of interest shall be received by the Council from any association while that association remains indebted under a previous low interest loan from Council.
- Any successful organisation may exercise the right of early payment redemption of any of its loans.
- Repayment of loans shall be by agreement, and shall be on an annual basis as per signed agreement.
- Interest on all loans will be charged at 5% reducible, or at such rate as the Council shall determine at the time of consideration of the granting of the loan.
- An interest penalty for late payment will be imposed at a rate of 15%, or at such rate as the Council shall determine at the time of consideration of the granting of the loan.
- Repayment of the loan shall not infringe on the Council's right to impose normal lease charges or rentals, where Council owned/controlled property is involved.
- Associations with licensed premises are ineligible for Council loans under this scheme. All applications shall comply with the provisions of the *Local Government Act 1995* and/or any other applicable Acts and Regulations affecting their application.

4. Legislative and Strategic Context

The *Local Government Act 1995* and the associated subsidiary legalisation provide the broad framework within which this policy operates.

5. Review

This policy is to be reviewed triennially.

6. Associated Documents

Nil.

Division	Finance				
Policy Number	FP008				
Contact Officer	Chief Executive Officer				
Related Legislation	Local Government Act 1995				
Related Shire Documents	F2 – Low Interest Capital Loan Application Form				
Risk Rating	Medium	Review Frequency	Triennially	Next Review	June 2027
Date Adopted	22/06/2004				OCM04/083

Amendments		
Date	Details of Amendment	Reference
18/10/2014	Updated as part of major review.	OCM14/10/127
18/12/2018	Updated as part of major review.	OCM18/12/126
22/06/2021	Consolidated related policies and reformatted.	OCM21/06/071
25/06/2024	Reviewed without amendment	OCM24/06/090
Previous Policies		
COM021 – Self Supporting Loans CORP034 – Low Interest Capital Loans 3.6 – Low Interest Capital Loans – Procedures 3.25 – Self Supporting Capital Loans – Policy		