



LITHGOW CITY COUNCIL

Policy 4.5

FINANCIAL ASSISTANCE TO COMMUNITY GROUPS AND
ORGANISATIONS – INTEREST FREE LOANS

Version 1

4.5 FINANCIAL ASSISTANCE TO COMMUNITY GROUPS AND ORGANISATIONS - INTEREST FREE LOANS

- OBJECTIVE:**
- (i) To contribute money or otherwise grant financial assistance by way of interest free loans to community groups and organisations for the purpose of exercising the Council functions of providing community sporting and recreational projects, services and facilities.
 - (ii) To limit the availability the aggregate of interest free loans available to community groups and organisations up to a maximum of \$200,000

POLICY:

Council will consider providing financial assistance by way of interest free loans to community groups and organisations within the Lithgow City Council area for the purpose of exercising Council functions of providing community sporting and recreational projects, services and facilities under the following guidelines:

1. The community project or facility which is the subject of the application for financial assistance is approved by Council and is located on Council owned community land.
2. Applications for interest free loans will be considered up to a maximum of \$50,000, subject to the loan liability to the Council for any one community group or organisation not exceeding \$50,000 at any one time.
3. The period for repayment of interest free loans will be within a term generally not exceeding 5 years.
4. Priority will be given to applications for financial assistance from community groups and organisations which:
 - (i) Provide community, recreational and sporting projects, services or facilities that are available uniformly to all persons or to a significant number of persons within the Council's area; and
 - (ii) Include the contribution of funds by the community group or organisation, either in cash or in-kind.
5. Council will undertake a due diligence and probity check, in conjunction with Council's Auditors if required, to establish the ability of the applicant to service loan principal repayments.
6. Applications by community groups and organisations for interest free loans from Council must provide a full description of the project, service or facility for which the interest free loan is sought and include with application the following:
 - An audited Annual Income and Expenditure Statement and Balance Sheet for the past 5 years
 - A copy of the community group or organisation's constitution.
 - A copy of the minute passed at a meeting of the community group or organisation seeking the interest free loan from Council.

7. Should Council agree to act as a loan guarantor for any loan, terms and conditions relating to the security of such actions must be specified in an agreement between Council and the relevant party that is executed under Council's seal.

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