

1. Introduction

Council is aware of the benefit that local sporting bodies and community organisations (herein after referred to as 'groups') provide to the local community and the desire for many of these groups to improve their facilities. Due to the nature of these groups (& the fact that many of them lease land from Council), these groups experience difficulty obtaining loans from conventional lenders.

However, the provision of loan funds to Community Groups is not without risk and Council has a responsibility to ensure that the risks associated with such loans are appropriately managed. The aim of this policy is to set guidelines for the consideration of loans to Community Groups.

2. Policy

Council will consider the facilitation of a loan to groups that meet the following criteria:

2.1 Eligible Organisations

Groups eligible for loans under this policy must:

- be based within the District Council of Cleve;
- be incorporated or be sponsored by an incorporated body;
- be community based and not for profit;
- promote inclusive membership/participation;
- not have a commercial or political purpose – or be closely associated with an organisation that has a commercial or political purpose; and
- not have gaming machines.

2.2 Eligible Projects

The following projects will be eligible for consideration:

- must be for the purchase or construction of capital equipment or buildings, where the proposed borrower has contributed no less than 30% of the project cost; and
- projects that align with Councils Strategic Plan.

2.3 Ineligible Projects

The following projects will be ineligible for consideration:

- projects that have commenced (when any site work or construction has commenced on a project prior to the loan being approved by Council); and
- projects that are for expenditure which is for recurrent or ongoing expenses.

2.4 Capacity to pay

Groups must clearly demonstrate the capacity to meet the loan repayments and provide Council with the following documentation:

- annual audited income and expenditure statements for the past 3 years;
- a copy of the minute passed at a meeting of the organisation seeking a loan from Council; and
- a 5-year business / forward financial plan / budget.

2.5 Conditions of loan

The following conditions will apply to any loan:

- should the group own assets (land/buildings freehold), there may be a requirement for security of the loan against the asset(s);
- the group must provide Council with a copy of each years audited income and expenditure statements for the term of the loan;
- funds must be used for the purpose for which the loan was granted;
- interest rates will be determined by the Local Government Finance Authority at the time of approval of the loan;
- loans are available for a maximum of 10 years; however, shorter periods are preferred;
- groups must notify Council of any change of Executive during the term of the loan;
- Council may set other conditions as deemed appropriate; and
- regardless of compliance with this policy, the decision to approve or deny an application for a Community Loan remains a decision of Council.

3. Further Information

This Policy is available for inspection at the District Council of Cleve principal office, 10 Main Street, Cleve SA 5640, during ordinary business hours upon payment of the fee fixed by the Council in accordance with the Council's Fees & Charges. It is also available to be downloaded, free of charge, from Council's website www.cleve.sa.gov.au.

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Responsible Department/Officer	Manager Corporate Services
Applicable Legislation	<i>Local Government Act 1999</i>
Related Policies	
Related Procedures	

4. Policy/ Document Review

This Policy/Document will be reviewed by the District Council of Cleve at a minimum every two (2) years. The Council has the right to review this policy at any time, if considered desirable.

5. Document History

Version	Adopted	Description of Change
2.1	January 2023	Historical
2.2	March 2026	Font, Logo & Formatting