

# Loans – Self Supporting Policy



Town of Cottesloe

## 1. Objectives

To inform organisations, seeking assistance from Council for the raising of a loan, of Council's requirements.

## 2. Principles

Organisations seeking Council assistance for the raising of a loan must be able to satisfy Council that they can service the loan.

## 3. Issues

Many community groups, such as sporting clubs, rely on membership subscriptions and voluntary help to maintain their financial viability. Council must be satisfied that the borrower is able to meet its loan repayment commitments before agreeing to raise a loan.

## 4. Policy

Organisations seeking assistance from Council to raise a loan shall:

- Be an incorporated body.
- Provide a copy of the last three years' audited trading and balance sheet statements.
- Agree to enter into a Deed of Agreement for the period of the loan repayments.
- Provide whatever security or guarantees that Council considers appropriate to ensure that the loan is repaid.
- Insure and keep insured premises where the premises are security over repayment of a loan.
- Pay all costs associated with the preparation and stamping of legal documents concerned with the raising of the loan.
- Provide a copy of the minutes of a legally constituted meeting of the organisation showing the formal resolution agreeing to the raising of the loan.
- Provide any other information that Council requires.

Adopted	21 December 1994
Reviewed	February 1997
Reviewed	22 November 2010
Expected date of review	