

### **Background and Issues**

Council is sometimes asked to provide self supporting loans for community based organisations such as sporting clubs and not for profit community groups. The risk to the Shire of Manjimup is the potential to default on loan repayments by the self supporting loan recipient.

### **Objectives**

To ensure that the recipient of a Council provided self supporting loan has the capacity and capability to repay the loan and any associated costs in full.

### **Area of Application**

Applicants located within the Shire of Manjimup.

### **Policy Measures**

When considering providing a self-supporting loan, Council will:

1. Ensure compliance with Sections 6.20 and 6.21 of the Local Government Act 1995 and relevant Regulations to those sections.
2. Require all applications for self-supporting loans shall provide the following detail:
  - a) The works and undertakings and purpose of the loan;
  - b) Plans and specifications and statutory approvals together with detailed costings;
  - c) Audited financial statements for 3 years to demonstrate the ability to repay the loan, or such lesser financial documentation acceptable to Council;
  - d) Statements demonstrating the need for the loan together with reasons of inability to obtain alternative funds;
  - e) Certification of incorporation;
  - f) Name(s) of private guarantor(s);
  - g) Provide any other information requested by Council to assist with consideration of the application; and
  - h) "Acknowledgement of Debt" to be signed and sealed between the applicant and the Shire of Manjimup.



4.1  
4.1.2

4. **ADMINISTRATION POLICIES**  
**FINANCE**  
**Self Supporting Loans**

**REVIEWED AND ADOPTED 25 JULY 2002**  
**REVIEWED 7 AUGUST 2008**  
**REVIEWED AND MODIFIED 8 DECEMBER 2011**  
**REVIEWED AND MODIFIED 8 SEPTEMBER 2016**  
**REVIEWED AND MODIFIED 6 MAY 2021**

**NEXT DUE FOR REVIEW MAY 2025**

**The Administration of this Policy is by the Business Directorate.**