



## Community Club Financial Guarantee Policy

<b>Policy Type:</b>	<b>Policy</b>		
<b>Approved By:</b>	Council	<b>Decision No:</b>	Min 1811, 2009/1577, 2011/469
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<b>Department:</b>	Finance	<b>Division:</b>	<b>Property Services</b>
<b>Function:</b>	7 - Financial Management	<b>Responsible Officer:</b>	<b>Manager, Property Services</b>

### A - PREAMBLE

1. Where a community club undertakes a project or other approved purpose which is shown to be an improvement to the facility and/or benefit to the community and requires finance, the club must seek finance from a financial institution and if required, Council may act as a guarantor under certain conditions.

### B - SCOPE

1. This policy applies to Community Clubs that have a current licence agreement to use Council owned facilities.

### C – POLICY PURPOSE/OBJECTIVES

1. The purpose of this policy is to assist community clubs in obtaining finance for a project or other approved purpose which is acceptable to Council.

### E - POLICY STATEMENT

1. In determining whether Council will act as guarantor for a Community Club seeking finance from a financial institution, consideration will be given to the following matters:
  - a. The community benefit attributable to the project or other purpose
  - b. Assessment of security available
  - c. An assessment of the club's capacity to repay the loan demonstrated by its statement of financial position and projected budgets.
  - d. Actions taken by the club to ensure its future viability.
  - e. Tenure of the committee and office bearers.
  - f. That the club be an active member of the Salisbury Sport and Recreation Network.
  - g. That clubs be required to demonstrate their capacity in financial management processes and if appropriate the Council may require the club treasurer to attend a financial management program organised or recommended by Salisbury Sport and Recreation Network, as a condition of Council's financial support.
  - h. Council may also require that some club committee members attend other Salisbury Sport and Recreation Network courses that may assist in the overall management of the club (e.g., marketing, sponsorship & fundraising etc).

- i. Past performance of the club.
- j. A requirement by the Community Club to the provision of an annual audited financial statement to Council.
- k. Staff provide annual information to Council on the Council's contingent liability on Financial Guarantee agreements.

**Document Control**

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<b>Prepared by</b>	Karen Pepe
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