



# Council Policy Manual

## WEST WIMMERA SHIRE COUNCIL

<b>COUNCIL POLICY</b>	
<b>GUARANTOR POLICY</b>	Policy No:
	Adopted by Council: 21 June 2023
	Next review date: June 2027
Responsible Executive	Director Corporate and Community Services
Responsible Officer:	Chief Financial Officer
Functional Area:	Corporate & Community Services
Introduction & Background	West Wimmera Shire Council will work with the community to improve the quality of life in the Shire and make West Wimmera a better place to live. Council understands quality facilities and events enhance the social fabric of our Shire and facilitate best rural living.
Purpose & Objectives	Council is of the opinion that part of its function is to maintain the social fabric of its community, and from time to time it may offer financial assistance by way of guarantee to community and/or sporting organisations.
Response to the Overarching Governance Principles of the Local Government Act 2020	Section 9 of the Local Government Act 2020 states that a Council must in the performance of its role give effect to the overarching governance principles.  This policy is in response to the following overarching governance principle/s of the Local Government Act 2020:  (a) the financial management principles (section 101);
Definitions	Community Organisation – Community Organisation based in and operates within the boundaries of West Wimmera Shire Council and works on a not for profit basis.  Sporting Organisation – Sporting Organisation based in and operates within the boundaries of West Wimmera Shire Council and works on a not for profit basis.  Community Facility – A facility that is used by the community on Crown land and / or on Council land within the boundaries of West Wimmera Shire Council.  Strategic project – a project that is identified in any Council plans and / or strategies



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Policy Details	
1.	<p>Scope</p> <p>This policy applies to the provision of advice to Council with respect to Council acting as a guarantor to a Community or Sporting Group.</p>
2.	<p>Conditions</p> <p>To provide a guarantee, Council will have regards to the following:</p> <ul style="list-style-type: none"><li>a) Council will not have guarantees at any one time in excess of \$200,000 total, with no single guarantee exceeding \$50,000.</li><li>b) No one guarantee will exceed one third of the total cost of the project.</li><li>c) Initial screening of the guarantee applications will be conducted by the Director Corporate and Community Services ;</li><li>d) Any application(s) which progress(es) through the screening process will be presented to the Councillor Forum for discussion before being presented to Council for consideration;</li><li>e) Organisations will be invited to present their case to support their application for a guarantee.</li><li>f) Priority will be given to the projects identified in Council plans and / or strategies;</li><li>g) Organisations will be required to provide Council with a Business Plan for the complete time of the guarantee, which is to include a social benefit for the whole community. This will include supplying Council with the organisation's audited financial statements.</li><li>h) Organisations applying for a guarantee will be required to submit to Council a budget showing proposed repayment regimes for each of the years for which the guarantee is sought (maximum of 5 years).</li><li>i) Organisations applying for a guarantee must demonstrate that any funding secured as a result of Council providing the guarantee will be used on activities that maintain or enhance that organisation's service delivery.</li><li>j) Council will not provide a guarantee to an organisation which seeks to promote an outcome conflicting with any of Council's plans and / or strategies.</li><li>k) Organisations in receipt of the guarantee must provide Council with evidence that the payment regimes have been met and that the guarantee has been reduced by 30 June each year.</li></ul> <p>Failure to meet the requirements of the guarantee by the community or sporting organisation will result in Council withdrawing its guarantee and initiating legal action to recoup any consequent financial liabilities to Council.</p>



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3.	Reporting
	<p>A list of guarantees Council provide will be maintained by the Chief Financial Officer for the information of the Council.</p> <p>The Council officers will maintain all reporting requirements relating to guarantees.</p>

<b>Policy Adopted:</b>	Ordinary Meeting 14/10/99	Minute Book Page 6721	
<b>Policy Reviewed:</b>	Ordinary Meeting 25/07/02	Minute Book Page 10300	
	Ordinary Meeting 06/04/06	Minute Book Page 13682	
	Ordinary Meeting 11/03/10	Minute Book Page 17759	RecFind 16/002617
	Ordinary Meeting 18/06/15	Minute Book Page 30672	RecFind 15/002613
	Ordinary Meeting 15/11/17	Minute Book Page 36729	RecFind 17/004688
	Ordinary Meeting 21/06/23		Policies and Procedures Team