

ROWING EQUIPMENT LOANS TO CONSTITUENT MEMBERS

INTRODUCTION

The New South Wales Rowing Association Inc (the Association) requires a certain level of reserves in order to be able to function effectively from day to day, meet unexpected contingencies and hold working capital to conduct events such as the State Championships, the National Championships or the National Masters Regatta.

Prudent financial management suggests that these reserves be invested according to an agreed investment policy having due regard for;

- Ø Risk
- Ø Liquidity
- Ø Tenure

Such a policy is in place and the Board has considered ways of using additional reserves to assist Constituent Members meet the challenge of funding the purchase of rowing equipment for their members.

To that end the Board has agreed to implement a scheme that provides for loans to be made to Constituent Members, under certain terms and conditions, to fund the purchase of Rowing Equipment.

The loan facility will be known as the Rowing Equipment Loans Scheme (**RELS**).

ELIGIBILITY

All Constituent Members defined in Para 4 (i) of the Association shall be eligible to borrow.

Registered Members defined in Para 4(ii) may make arrangements through their clubs to access loans but such arrangements exist between the member and the Club. RELS is a loan facility between the Association and the Constituent Member. Borrowers must be current financial members of the Association.

TYPE OF EQUIPMENT

Loans may be made for new or used rowing equipment. Loans will not be granted for ancillary gymnasium equipment but ergometers of a generally recognised kind will be eligible

Payment of proceeds at draw down may be directed to a supplier at the direction of the borrower.

AMOUNT OF THE LOAN

The minimum loan will be \$2000. (Two thousand dollars) There is no defined maximum but it is not envisaged that loans greater than \$20,000 (Twenty thousand dollars) will be made. For loans greater than \$20,000 borrowers will need to show exceptional circumstances and agree to accelerated repayment arrangements.

For new equipment a deposit of 25% will be required and for used equipment a deposit of 30% will be required.

TERM AND REPAYMENT OF THE LOAN

Loans will be short term in nature to ensure widely available access to the scheme. Loans of 1 (one) to 3 (three) years are envisaged. Repayments will be quarterly in arrears.

INTEREST RATE

The Board will review the interest rate from time to time. It will generally be set at the prevailing rate the Association would receive from investing a similar sum in a Bank Term Deposit plus a margin to cover costs.

AVAILABILITY OF RELS

Continuance of RELS is dependent on the level of cash resources of the Association. The primary use of cash resources is to allow the continued effective functioning of the Association. Accordingly, if this is under threat the Board may suspend RELS without notice. At a time that RELS is suspended no loan may be recalled unless an event of default has occurred.

EVENTS OF DEFAULT

A loan is considered to be in default in the event of:

1. A Constituent Member is unfinancial for greater than 30 days
2. Repayments are 30 days in arrears
3. The underlying equipment has been disposed of by the Constituent Member
4. The underlying equipment is no longer in the safe storage and care of the Constituent Member.
5. Insurance of the underlying equipment has lapsed.

GST AND TAXES

Borrowers will be liable to reimburse the Association for any Government fees or taxes that may be levied on the loan or prepayments of the loan. GST does not currently apply to loan repayments.

OTHER TERMS AND CONDITIONS OF THE LOAN

Additional terms and conditions of RELS include:

1. The equipment must be safely stowed, properly maintained and fully insured (both on and off the water) while there is any loan outstanding.
2. Loans may be repaid in part or in full without penalty at any time
3. The underlying equipment shall be fully insured during the tenure of the loan and evidence of the insurance supplied to the Association¹.
4. The Association may inspect the underlying equipment at any time by arrangement with the borrower.
5. Borrowing Clubs (Constituent Members) will provide evidence of a formal resolution to borrow by the Board of the club and execute an agreement with NSWRA under the signature of three (3) Directors.

¹ Borrowers will note that the Association has an arrangement with Associated Marine Insurers and can refer the borrowing club to that firm. The Association may be entitled to receive a commission payable to the Association.

6. Borrowing schools (Constituent Members) will provide a letter of awareness by the Bursar or other such executive of the School
7. Constituent members may have more than 1 loan current at any time
8. Loans may be granted to assume existing or prior borrowings by a Constituent Member and a third party lender.
9. Applications may be made at any time but repayments shall commence 90 days from approval notwithstanding that the loan may only be partially drawn at that time. The Association may, in some cases, make progress payments to a boat builder under instruction by the borrower
10. Approval will apply for 60 days and may be withdrawn if the RELS is suspended.
11. Borrowers will acknowledge the terms and conditions applying to their loan as set out in writing and advised by the CEO on behalf of the Credit Committee

RELS APPLICATION PROCESS

Constituent Members will apply in writing using the following headings as a guide.

1. Eligibility:
Full Name of Borrower with applicable ABN number, name of the person responsible and contact details.
2. Equipment:
Description of the equipment including brief technical specifications.
3. Amount:
The amount of the loan sought and in the following format

Cost:	\$XXX
Own Funds	<u>(\$X)</u>
Loan Amount	<u>\$ XX</u>
4. Term:
Term of the loan and proposed repayment amounts as outlined in the loan instalment guide.
5. Other Terms and Conditions
Compliance with Other Terms and Conditions as outlined. Use the numbered format provided. Applicants should note "agreed" in relation to insurance and other requirements or "not applicable" if thought to be the case for other requirements.
6. Special Instructions:
Any special instructions in regard to disbursement of proceeds

RELS CREDIT COMMITTEE

A Credit Committee comprising will administer RELS:

1. Director of Finance
2. CEO
3. A third Director Nominated by the Board from time to time

The powers of the Credit Committee include:

- (i) To administer RELS
- (ii) To amend or vary the terms of the scheme in relation to individual applications if thought to be appropriate
- (iii) To monitor repayment schedules
- (iv) To make recommendations to the Board in the instance an event of default occurs.
Constituent Members may appeal decisions of the Credit Committee to the Board.

NSWRA RELS

SCHEDULE OF QUARTERLY REPAYMENTS (\$)

Amount of loan	6.00%			6.50%			7.00%			7.50%		
	1 year	2 years	3 years	1 year	2 years	3 years	1 year	2 years	3 years	1 year	2 years	3 years
2,000	511.22	263.22		512.15	264.33		513.09	265.44		514.01	266.55	
3,000	766.83	394.83		768.23	396.49		769.63	398.16		771.02	399.83	
4,000	1,022.44	526.44		1,024.31	528.66		1,026.17	530.88		1,028.04	533.11	
5,000	1,278.05	658.05		1,280.39	660.82		1,282.71	633.60		1,285.04	666.38	
6,000	1,533.66	789.66		1,536.47	792.99		1,539.26	796.32		1,542.05	799.66	
7,000	1,789.28	921.27		1,792.54	925.15		1,795.80	929.04		1,799.06	932.94	
8,000	2,044.89	1,052.88		2,048.62	1,057.32		2,052.34	1,061.76		2,056.07	1,066.21	
9,000	2,300.50	1,184.49		2,304.70	1,189.48		2,308.88	1,194.48		2,313.08	1,199.49	
10,000	2,556.11	1,316.10	903.25	2,560.78	1,321.65	909.18	2,565.43	1,327.20	915.12	2,570.09	1,332.76	921.08
11,000	2,811.71	1,447.71	993.58	2,816.85	1,453.81	1,000.10	2,821.97	1,459.92	1,006.64	2,827.09	1,466.04	1,013.19
12,000	3,607.33	1,579.32	1,083.90	3,072.93	1,585.98	1,091.02	3,078.51	1,592.64	1,098.15	3,084.10	1,599.32	1,105.30
13,000	3,322.94	1,710.93	1,174.23	3,329.00	1,718.14	1,181.93	3,335.05	1,725.36	1,189.66	3,341.11	1,732.59	1,197.41
14,000	3,578.55	1,842.54	1,264.55	3,585.08	1,850.31	1,272.85	3,591.60	1,858.08	1,281.17	3,598.12	1,865.87	1,289.51
15,000	3,834.16	1,974.15	1,354.88	3,841.15	1,982.47	1,363.77	3,848.14	1,990.80	1,372.68	3,855.13	1,999.15	1,381.62
16,000	4,089.77	2,105.76	1,445.20	4,097.23	2,114.64	1,454.69	4,104.68	2,123.52	1,464.20	4,112.14	2,132.42	1,473.73
17,000	4,345.38	2,237.37	1,535.53	4,353.31	2,246.80	1,545.60	4,361.22	2,256.24	1,555.71	4,369.15	2,265.70	1,565.84
18,000	4,600.99	2,368.98	1,625.85	4,609.39	2,378.97	1,636.52	4,617.77	2,388.96	1,647.22	4,626.16	2,398.98	1,657.95
19,000	4,856.60	2,500.59	1,716.18	4,865.46	2,511.13	1,727.44	4,874.31	2,521.68	1,738.73	4,883.17	2,532.25	1,750.06
20,000	5,112.22	2,632.20	1,806.50	5,121.54	2,643.30	1,818.36	5,130.85	2,654.41	1,830.25	5,140.17	2,665.53	1,842.16

ROWING CLUB
President

xx/xx/xxxx

The Chief Executive Officer
New South Wales Rowing Association
PO Box 265
Concord West NSW 2138

SUBJECT: RELS APPLICATION

Applicant:

Rowing Club
ABN
Address

Contact:

President: (insert Business and AH phone numbers)

Treasurer: (insert Business and AH phone numbers)

Secretary: (insert Business and AH phone numbers)

Equipment:

Amount of Loan:

Purchase Price	\$
Contribution	\$
Loan sought	\$

Term Rate & Repayment:

Two years
7.5%
Eight quarterly installments of
First installment 90 days from draw down

Terms & Conditions:

Terms & Conditions	Constituent Response
1. Equipment must be safely stored, properly maintained and fully insured while any part of the loan is outstanding.	
2. Loans may be repaid at any time without penalty. Repayment amount is the total of installments outstanding.	
3. Evidence of Insurance provided	
4. NSWRA may inspect the equipment at any time	
5. Copy of Board resolution signed by three directors to borrow on these terms and conditions provided.	
6. Schools letter of awareness	
7. Only one loan may be current at one time	
8. Loans may be granted to assume existing borrowings	
9. Repayments to commence 90 days from draw down and at three monthly intervals thereafter	
10. If not drawn within 60 days, loan approval may be withdrawn	
11. Signature of President, Treasurer and one other Director as part of this application acknowledge the terms and conditions above	

Signed by: (insert full name and address)

President

Treasurer

Director

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