

1. Description

Loans with terms of up to five years at a concessional rate may be provided to non-profit organisations (NPs) for:

- The restoration of essential facilities, equipment or other assets damaged or destroyed as a direct result of a declared disaster.
- Temporary storage or leasing of alternate premises.

2. Eligible events

This assistance measure is only provided to eligible organisations, following the declaration of a natural disaster by the NSW Government.

3. Amount and term

- a) A loan to a maximum of \$25,000 is available.
- b) The term of up to five years at a concessional interest rate will depend upon the amount borrowed and the applicant's ability to repay.

4. Interest

The interest rate is a concessional rate of interest, fixed for the term of the loan. The interest rate applicable for the time of loan commencement is shown on the RAA website.

5. Who is eligible

NP, voluntary community supported organisations with services delivered at the local level.

The NP must not operate for the profit or gain of its individual members and any profit made by the organisation must go back into the operation of the organisation to carry out its purpose and not be distributed to any of its members.

6. Eligibility Criteria

An NP must demonstrate all of the following:

- a) Be within an area declared a natural disaster and have suffered damage to facilities or other assets as a direct result of the declared disaster event.
- b) evidence of registration or incorporation as an NPO
- c) the NP must have suffered damage to facilities or equipment or other assets arising directly from a declared disaster event
- d) the NP does not have the financial capacity to pay the costs from its own funds or reserves and

- e) the NP must satisfy the Rural Assistance Authority (RAA) that it has the financial capacity to repay the loan.

The types of NPOs considered under this loan scheme are broad ranging and will be considered on a case by case basis. Eligible organisations will usually perform a service for the local community or environment and are dominantly funded by grants or donations.

Examples of eligible NPs include:

- a) social welfare and family support organisations
- b) art and cultural societies
- c) religious and educational organisations
- d) charitable groups
- e) environmental protection societies and
- f) animal protection societies.

7. Exclusions

- a) Organisations that perform a sizeable commercial function or represent a commercial or industrial group are not eligible for assistance. An NP must not conduct its affairs so as to provide pecuniary gain for its members.
- b) Similarly, where the entity holds property in which its members have a disposable interest (whether directly, or in the form of shares or stock in the capital of the organisation or otherwise) it will be deemed to be operating to provide a pecuniary gain for its members.
- c) Organisations receiving other grants or loans for the same declared disaster may not be eligible for this assistance measure.
- d) Where an organisation has the financial capacity to conduct its own restoration works, the loan is unlikely to be provided.
- e) large scale NPs will not receive assistance under this measure. NSW Fair Trading defines a 'large scale' association as cash flows in excess of \$250,000 p.a. and/or assets exceeding \$500,000
- f) lobby groups
- g) where the loan is to provide for loss of trade or income
- h) where the loan is to provide for ordinary operating costs, such as employee related expenses in ordinary hours.

- i) Where the entity has cash reserves in excess of the requested loan amount, it is unlikely that this assistance measure will be provided, unless the entity can demonstrate a genuine case that the funds are quarantined for an immediate and alternative need.

8. Conditions of assistance – Loans

- a) The NPO will be required to provide adequate security over the loan. In limited circumstances, this requirement may be waived.
- b) Repayments may be monthly, quarterly, half-yearly or annual repayments of principal and interest, generally in line with the applicant's cash flow.
- c) Loans are secured by a registered mortgage over land, and not necessarily a first mortgage. Other security, including a mortgage over land, buildings or other assets from another person may be considered.
- d) In assessing this requirement, the Authority will take into account all cash reserves, investments, undrawn overdraft balances plus loans with redraw facilities.
- e) Once all legal requirements have been completed, the RAA will draw down the loan in full and deposit it direct to the nominated bank account.
- f) Applicants will be asked to cover set-up costs for the mortgage registration fee, mortgage duty, agent fees and land title search costs. Financiers may charge fees to the applicant's account when consenting to the RAA's request to take a mortgage over the property offered as security.

9. Application process

Application forms must be submitted online. Applicants will be expected to provide a range of documents including:

- a) balance sheets and financial statements for the NP enterprise (including profit and loss statements, trading account and depreciation schedules)
- b) individual tax returns and a current listing of all assets and liabilities held by each individual director, shareholder, partner or trustee of the NP.
- c) evidence of damage incurred (this may be sought).

If there is uncertainty about the status of an applicant, the RAA may contact NSW Fair Trading, ASIC or the ATO to request supporting documents or request further documentation from the applicant to support its application.

10. Period for submitting applications

Applications must be lodged within six months of the declaration of the natural disaster.

11. Assessment

- a) Applications will be assessed against the eligibility criteria.
- b) RAA reserves the right to request further information from you or from any business or individual you have engaged, to assist in assessing your application and to verify any information provided in your application.
- c) Failure to provide such information may result in RAA refusing your application.
- d) RAA reserves the right to refuse an application where eligibility criteria are not met, or where the applicant does not or can not provide sufficient information for the RAA to determine if eligibility criteria have been met.
- e) Applications submitted may be subject to audit by RAA or its agents in order to determine compliance with scheme guidelines.
- f) Complete applications will be assessed in order of receipt. Incomplete applications will not enter the assessment queue until all required information is provided.
- g) Applicants should note that past financial assistance under this program or any other program is not a reliable indicator of eligibility for future financial assistance under this program.
- h) Before applying for financial assistance under this program, applicants should seek advice from their legal, business or financial advisers about the tax implications of this financial assistance.
- i) Applicants who have received funding from the RAA within the last 12 months may not need to provide tax returns and financial statements again.

12. Important Information

- a) Guidelines are correct at the time of publishing.
- b) RAA reserves the right to amend, alter or change these guidelines at any time, and it is the responsibility of the applicant to ensure that they check the relevant website prior to application.
- c) The guidelines that apply to your application will be the guidelines that are current at the time your application is received by RAA.

13. Fraudulent claims

- a) By signing the claim form, you are declaring that the information provided in the application form and supporting documentation is true and accurate.
- b) Providing inaccurate, untrue or misleading information may be a breach of criminal law for which serious penalties may apply.
- c) If any information provided in an application or supporting documentation is found to be inaccurate, untrue or misleading, legal action may be taken against you, including action to recover the funds.

14. Submitting your application

Please apply online at:

<https://www.raa.nsw.gov.au/disaster-assistance/disaster-recovery-loans>

If you need assistance with submitting your application, please contact the RAA:

Phone: 1800 678 593

Email: rural.assist@raa.nsw.gov.au

If you have difficulty understanding these guidelines or completing the application form you should seek the assistance of your rural/financial counsellor, business advisor, accountant or a trusted family member/friend.

If you need assistance with interpreting or translating, please contact Multicultural NSW on 1300 651 500 or email languageservices@multicultural.nsw.gov.au.

Applications received after the advertised application closing date can not be accepted