**Guideline to Submission of Application for New Borrowing Limit.**

Persons or organisations intending to submit an application to District Church Council for approval setting a Borrowing Limit are to provide supporting information and follow the protocols and guidelines as detailed below.

A New Borrowing Limit Decision Required Template is to be completed.

A New Borrowing Limit Covering Memo is to be completed.

Supporting Borrowing Limit application forms and other supporting information is to be provided.

**Supporting Information**

Information supporting the application is to be attached to this template in a .pdf format

This may include one or more of the following:

* Supporting signed memo including:
  + Background discussion
  + Key issues
  + Discussion of Options (the implications associated with the ‘Do Nothing’ Option should be described)
  + Resolution numbers and details of resolutions passed as the proposal has proceeded
* Independent loan or borrowing limit reports
* Other information relevant to supporting the application

**Protocol and Guidelines**

Use of Template

This template is only to be used for applications for new borrowing limits.

The template is to be used by all Departments, Parishes and Congregations

Submission

The completed template and all supporting documentation is to be submitted in .pdf format to the Secretary District Church Council (DCC) via email to [SecretaryDCC@qld.lca.org.au](mailto:SecretaryDCC@qld.lca.org.au) The Subject line in the email is to include “New Borrowing Limit Application”

Submission Deadlines

The DCC generally meet the fourth Wednesday of each month. Risk Audit and Finance Committee generally meet the second Thursday of each month. The deadline for submissions to the DCC is the third Wednesday of each month, and Risk Audit and Finance Committee is midday the first Wednesday of each month.

Availability for Presentation

Proposers of new loans need to be available to present to the DCC and possibly the Risk Audit and Finance Committee. The email must include contract details including name, position, phone no., and email address of who will speak to the proposal if required at the DCC and potentially the RAFC. In exceptional circumstances the proposer may be able to speak to the proposal via telephone link.

Risk Guidelines

All applications of a borrowing limit have some risk associated with the setting of the limit. It is expected that in describing risks associated with the application;

* The risk is to be described;
* The Likelihood and Consequence should be described consistent with the terms described in the tables below.
* An overall risk rating is to be assigned consistent with the Risk Matrix below
* Key risk mitigation strategies should be described

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| --- | --- | --- | --- | --- | --- |
| **Risk Matrix** | | | | | |
|  | **Consequences** | | | | |
| **Likelihood** | Insignificant | Minor | Moderate | Major | Catastrophic |
| Almost Certain | Medium (11) | Medium (16) | High (20) | Extreme (23) | Extreme (25) |
| Likely | Low (7) | Medium (12) | High (17) | High (21) | Extreme (24) |
| Possible | Low (4) | Medium (8) | Medium (13) | High (18) | High (22) |
| Unlikely | Low (2) | Low (5) | Medium (9) | Medium (14) | High (19) |
| Rare | Low (1) | Low (3) | Low (6) | Medium (10) | Medium (15) |

|  |  |  |
| --- | --- | --- |
| **Likelihood Table** | | |
| **Likelihood** | **Qualitative Description** | **Example of a Quantitative Description** |
| Almost Certain | The event is expected to occur in most circumstances | May occur once a year or more frequently |
| Likely | The event will probably occur in many circumstances | May occur once every three years |
| Possible | identified factors indicate the event could occur at some time | May occur once every 10 years |
| Unlikely | The event could occur at some time but is not expected | May occur every 30 years |
| Rare | The event may occur only in exceptional circumstances | May occur once every 100 years |

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| **Consequence Table** | | | | | |
| Consequence | Insignificant | Minor | Moderate | Major | Catastrophic |
| Financial and Economic | Small financial loss that can be absorbed by the church /parish /school /facility /department | Financial loss requiring reprioritisation and/or reallocation of available church /parish /school /facility /department funds. | Significant financial loss requiring special allocation of church /parish /school /facility /department funds. | Major financial loss with severe departmental impact and requiring supplementary church /parish /school /facility /department funding. | Disastrous financial loss with severe church /parish /school /facility /department impact or district impact. |

Opportunity Category

A description of the business or mission opportunity this application is in support of is to be described. It is expected the opportunities will relate to one or more of the Focus Areas described in the template.