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

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

A New Borrowing Decision Required Template is to be completed.

A New Borrowing Covering Memo is to be completed.

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

**Supporting Information**

Information supporting the application is to be attached to the New Borrowing Decision Required Template in a .pdf format

This should include one or more of the following:

* Supporting signed memo including:
	+ Background discussion
	+ Key issues
	+ Discussion of Options (the implications associated with a ‘Do Nothing’ Option should be described)
	+ Resolution numbers and details of resolutions passed as the proposal has proceeded through other Governance Body review and approval steps.
* Completed and signed Church Loan Application Form
* Completed and signed School Loan Application Form
* Completed Checklist for Approval of School Loan Application Form
* Independent loan or borrowing limit reports
* Other information relevant to supporting the application

**Protocol and Guidelines**

Use of Template

The New Borrowing Decision Required template is only to be used for applications for new borrowings.

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

Submission

The completed template, covering memo and all supporting documentation is to be submitted in .pdf format to the Secretary DCC via email to SecretaryDCC@qld.lca.org.au The Subject line in the email is to include “New Loan Application”

Submission Deadlines

The DCC generally meets the fourth Wednesday of each month. In general loan applications are referred to the Risk Audit and Finance Committee for review and it generally meets the second Thursday of each month. The deadline for submissions to the Risk Audit and Finance Committee is midday the first Wednesday of each month.(DCC the third Wednesday of the month)

Availability for Presentation

Proposers of new loans need to be available to present to the District Church Council 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 at the RAFC. In exceptional circumstances the proposer may be able to speak to the proposal via telephone link.

Risk Guidelines

All borrowings have some risk. 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) |

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| **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 New Borrowing Decision Required template.