

## 5.2 CO-OPERATIVE LOAN FUND

### 1 PURPOSE

The purposes of the Co-operative Loan Fund (known as “the Fund”) are:

- (i) to provide a means whereby the Vehicle Depreciation Allowance paid to Ministers of the Uniting Church can be used in a co-operative way to assist in the purchase of one motor vehicle at any one time, and
- (ii) to assist with loans to members for other approved purposes as the Fund is able.

The Fund is established and administered by the Resources Division of the Uniting Church in Western Australia. The Vehicle Depreciation Allowance is generally paid monthly into the Minister’s Benefits Account and then transferred into an account for the minister. In this way the payment is not treated by the Australian Tax Office as income. Interest is charged on all loans within the Fund.

### 2 MEMBERSHIP

Ministry Agents in recognised full-time and part-time placements who are contributing to the Motor Vehicle Depreciation Fund are eligible to receive a loan from the Co-operative Loan Fund to either purchase a vehicle; to pay for major repairs on a vehicle; or to purchase a capital item such as a computer owned and used by the Minister.

### 3 FIRST CAR LOAN

Special provisions are made to assist a member in their first placement or appointment. In such cases, the Fund may approve a loan up to four times the Vehicle Depreciation Allowance for a maximum 4 year period.

### 4 SUBSEQUENT CAR LOANS

A member of the Fund may make application for a subsequent loan to assist in the purchase of a new or second-hand motor vehicle to be used in ministry by the member. Loans may also be applied for the purpose of major repairs to a motor vehicle owned and used by the member.

A maximum loan of three times the Vehicle Depreciation Allowance is available for a maximum period of 3 years. Loans shall be repaid by monthly instalments.

Loans shall be applied to the purchase or major repair of one nominated vehicle for each member at any one time.

Any vehicle other than a new vehicle shall have a written mechanical inspection report by the RAC or independent qualified mechanic testifying to roadworthiness before the loan is drawn.

### 5 CAPITAL LOAN

The Fund may assist with loans to members for other approved capital purposes as the Fund is able, for example the purchase of a computer or photocopier. The capital item is to be used in ministry for which depreciation can be claimed for taxation purposes.

A maximum loan of the annual Vehicle Depreciation Allowance is available for a maximum period of 2 years. Loans shall be repaid by monthly instalments.

## **6 INTEREST**

Interest is payable on amounts held within the Fund. This is calculated and credited to the minister's account on 31 December each calendar year. The rates are those as set by the Resources Commission from time to time. This interest payment is a taxable item and must be declared in the minister's tax return.

## **7 APPLICATION**

Loan application forms are only available from the Uniting Church Centre upon request. It is to be noted that the The Motor Vehicle Depreciation Fund Payment is NOT paid generally into the Minister's Benefit Account, but is transferred directly to the UCIF who then credit it to the Minister's deposit account within the Fund.

## **8 CLOSURE OF ACCOUNT**

A member's deposit account shall be closed upon retirement or resignation or death and the balance paid to the member or to the member's estate. There may be taxation implications if this amount is not used as per the policy of the fund.