

MODEL AERONAUTICAL ASSOCIATION OF AUSTRALIA



ALLOCATION OF MAAA FUNDS POLICY AND PROCEDURE

MOP011

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MOP011 was originally named Field Purchase/Loan Application Procedure and has been re-written in accordance with the MAAA Council recommendations and requirements.

This Policy and/or Procedure, forms part of the MAAA Manual of Procedures.

This entire document is for the use of all classes of members of the MAAA in the conduct of activities associated with the MAAA and is not be used for any other purpose, in whole or in part, without the written approval of the MAAA Executive.

ALLOCATION OF MAAA FUNDS POLICY AND PROCEDURE

1. INTRODUCTION

The finances of the Model Aeronautical Association of Australia Inc (MAAA) are regulated by the Rules which are determined by Council. The Executive Committee is to manage the finances of the organisation following the intent of the budget as approved by Council at the Annual Council Meeting for each ensuing financial period. Reference should be made to Section 36 in the Statement of Rules.

2. PURPOSE

- 2.1 The purpose of this publication is to document the MAAA policy for the allocation of any funds to Affiliated Members, Clubs and State Associations, including financial assistance, grants and loans.
- 2.2 This publication also outlines procedures which are intended to ensure that applications for grants and loans are submitted and processed in a clearly identifiable, traceable and transparent manner.

3. DEFINITIONS

Affiliate Member	A person properly affiliated with a Club that is properly affiliated to an MAAA Ordinary Member.
Club	A Club properly affiliated with an MAAA Ordinary Member.
Grant	Financial assistance which is not covered by a specific MOP. The application is assessed by Council, normally at the Annual Council Meeting.
Land Bureau	MAAA Subcommittee having one representative from each Ordinary Member, normally the President. The Subcommittee is tasked with reviewing all applications received regarding land purchase and development loans.
Loan	An amount of money made available from MAAA funds for a period of time upon application.
MAAA	Model Aeronautical Association of Australia Inc.
MAAA Executive	The elected officials of the MAAA Inc.
MAAA Ordinary Member ...	A State Association properly affiliated with MAAA Inc.
MOP	The MAAA Manual of Procedures.
Ordinary Member	See MAAA Ordinary Member.
State Association	See MAAA Ordinary Member.

4. POLICY

4.1 Financial Assistance – Covered by Specific MOP

4.1.1 Australian Teams

Financial assistance is available to members of selected Australian teams for model aircraft World and Oceania Continental Championships as documented in the MAAA Manual of Procedures (MOP024).

4.1.2 Legal Assistance

The MAAA provides a legal assistance scheme which assists in providing funds through a process documented in the Manual of Procedures (MOP016).

4.1.3 Overseas Visitors

The Council of the MAAA is prepared to assist organisations and individuals who wish to host an overseas visitor with funding through a process documented in the Manual of Procedures (MOP003).

4.2 Services Provided by Affiliated Members

4.2.1 The Executive of the MAAA is able to enter into a financial agreement to pay reasonable remuneration for services actually rendered or goods actually supplied.

4.3 Financial Assistance – Grants

4.3.1 The Council of the MAAA is able to approve an amount of financial assistance to an Affiliate Member on application to the Annual Council Meeting. The intent of this assistance is that the basic objectives of the MAAA have been promoted through the allocation of funds to the Affiliate Member.

4.3.2 The Council of the MAAA is able to approve an amount of financial assistance to an Incorporated Club on application to the Annual Council Meeting. The intent of this assistance is that it will provide ongoing benefits to a wider community of MAAA Affiliate Members.

4.3.3 The Council of the MAAA is able to approve an amount of financial assistance to an Ordinary Member on application to the Annual Council Meeting. The intent of this assistance is so that national or international benefits will be generated.

4.4 Financial Assistance – Short Term Loans

4.4.1 A loan for a period no greater than 2 years shall be deemed a “short term loan”.

4.4.2 The Council of the MAAA is able to approve an amount of financial assistance as a short term loan to an Ordinary Member on application to the Annual Council Meeting for the purpose of running a World Championship or Oceania Continental event.

4.5 Financial Assistance – Loans

4.5.1 Flying Field Finance

4.5.1.1 The MAAA has long recognised that the future of aeromodelling within Australia rests in the ability of clubs and State Associations to obtain and maintain flying sites. To facilitate this process, the MAAA has an active policy to assist its members in developing and improving miniature aircraft flying sites throughout Australia.

When funds are available, the MAAA can provide flying field finance in the form of a loan to any Ordinary Member or Incorporated Club whose members are affiliated with the MAAA. These loans may be used to purchase land, obtain equipment or develop an existing flying site.

4.5.1.2 The ongoing success of the MAAA Loans Policy depends on the 100% repayment of loans. If any club or State Association were to fail in its obligations then another would miss out or be delayed in obtaining a loan.

4.6 MAAA Land Purchase

4.6.1 Ordinary Members may make an application for MAAA to purchase and retain ownership of a State field which is then leased to the State Association.

4.6.2 Ordinary Members may make an application for MAAA to purchase and retain ownership of adjacent land to protect or enlarge a flying site which either owns.

5. GUIDELINES

5.1 Applications for Financial Assistance – Covered by Specific MOP

5.1.1 Applications for financial assistance under conditions set out in the Manual of Procedures are made according to the procedure outlined in the relevant MOP.

5.2 Applications for Grants and Short Term Loans

5.2.1 Applications for grants may be made by Affiliate Members, Incorporated Clubs and Ordinary Members, through the Ordinary Member.

5.3.2 Applications for short term loans may only be made by Ordinary Members.

5.2.3 Applications for grants made by Affiliate Members and Incorporated Clubs must be supported by the Ordinary Member with whom they are registered.

5.2.4 For the relative merits of applications to be considered, members of Council need to be provided with sufficient information to make judgements.

5.3 Applications for Loans

5.3.1 Ordinary Members and Incorporated Clubs affiliated with the MAAA may make applications for loans. Incorporated Clubs make the application through the Ordinary Member.

- 5.3.2 Application for funding must clearly identify the purpose of the loan.
For example:
- Application for a loan from a State Association and/or Club for the purchase of a flying field.
 - Application from a State Association and/or Club for a loan for improvements or capital works to a flying field.
 - Application from a State Association and/or Club for a loan to purchase adjacent land to protect or enlarge a flying site owned by the State Association or Club.
- 5.3.3 Ordinary Members are required to underwrite all MAAA loans to clubs which operate on land leased by the club from the owners of the land. This does not apply to land owned by the MAAA.

5.4 Terms for Loans

5.4.1 Types and Limits of Loans

- a. An incorporated club or State Association applies for financial assistance to purchase a flying site. Funding is up to \$200,000.
- b. An incorporated club applies for financial assistance to develop a club owned site. Funding is up to \$40,000
- c. An Incorporated Club applies for financial assistance to develop a leased site. The MAAA prefers that sites are club owned but with long term leases and a State Association acting as guarantor, the MAAA will assist with up to \$40,000.

5.4.2 Maximum Period for Pay Back of Loans

- 5.4.2.1 The MAAA will allow loans for club owned flying fields up to a fifteen-year term.
- 5.4.2.2 In the case of long term leased sites, the maximum length of a loan is up to a ten-year term. The length of loan on a leased site cannot exceed the remaining term of the lease.

5.4.3 Maximum Period for Extensions

- 5.4.3.1 The maximum period for extension to the term of a loan is 5 years.
- 5.4.3.2 Applications for an extension to a loan should be formally submitted through the Federal Secretary for consideration by the Executive.

5.4.4 Interest

- 5.4.4.1 Interest on loans is expected to be paid at half Reserve Bank rate plus 1%, or other such rate as determined by Council.
- 5.4.4.2 In exceptional circumstances, an "interest only" period of up to 2 years may be granted.
- 5.4.4.3 Applications for an "interest only" period should be formally submitted through the Federal Secretary for consideration by the Executive.

5.5 Terms for MAAA Land Purchase

- 5.4.1 MAAA purchases land which is leased back to a State Association. Ownership remains with the MAAA but all development and ongoing cost become the responsibility of the State Association.
- 5.4.2 Lease arrangements include the proviso that the State Association is entitled to purchase the site at a later date from the MAAA at the agreed value. Funding for this type of arrangement is up to \$500,000.

5.6 Responsibility and Approval Levels

5.6.1 Land Bureau

- 5.6.1.1 The Land Bureau Subcommittee is responsible for considering applications for loans up to \$200,000. Their recommendation is made to the Executive.

5.6.2 Executive

- 5.6.2.1 The Executive is responsible for final approval of loans recommended to them by the Land Bureau Subcommittee.

5.6.3 Council

- 5.6.3.1 Council is responsible for approving all grants and short term loans.
- 5.6.3.2 Council is responsible for approving all loans over \$200,000 and for deciding on loan applications rejected by the Executive.

5.7 Maximum Amount of Loans

- 5.7.1 The maximum amount of loans to be in operation at any one time is a Standing Item at the Annual Council meeting.

6. PROCEDURE FOR GRANT AND SHORT TERM LOAN APPLICATIONS

6.1 Application Process

- 6.1.1 All requests for grants and short term loans together with supporting documentation should be forwarded by the Ordinary Member to the Federal Secretary for inclusion in the Agenda of the Annual Council Meeting by the advertised due date.

6.2 Required Documentation

- 6.1.2 Details to include but not necessarily be restricted to:
- Name and contact details of the applicant including AUS number of the contact person
 - Purpose of the application and the amount required
 - If submitted by an affiliate member, a letter from the State Association in support of the application
 - Justification for the grant or loan including the spend budget
 - For a short term loan, the period of loan required and
 - Projected budget for repayment

6.3 Initial review

- 6.3.1 It is the responsibility of the Federal Secretary to check the application and ensure that it meets the requirements prior to including it in the Agenda for the Annual Council Meeting.

6.4 Final Approval

- 6.4.1 A decision on the application is made by Council, normally at the Annual Council Meeting.
- 6.4.2 The Federal Secretary advises the applicant of the decision. If the application is accepted, the Federal Secretary, in conjunction with the Federal Treasurer, processes the grant or loan.
- 6.4.3 Successful applicants for grants are required to make a formal report to Council through the Federal Secretary following the event or activity. An interim report should be submitted for projects which are not completed by the subsequent Annual Council meeting.
- 6.4.4 Successful applicants for short term loans will be required to sign a loan agreement stating the period of the loan, interest if applicable and method and dates of repayment.
- 6.4.5 Successful applicants for grants will be required to sign an agreement stating the funds will be applied exclusively for the purpose stated and that if any portion of the grant remains unspent that it will be repaid.

7. PROCEDURE FOR FIELD LOAN APPLICATION

7.1 Application Process

- 7.1.1 Applicants for loans shall prepare and forward a written application with documentation outlined below to the Federal Secretary for consideration by the Executive.

7.2 Required Documentation

7.2.1 Location and Permits

The application must include:

- A map clearly showing the location of the land to be purchased or improved. This map should include, but not be restricted to, locations and distances to all housing and buildings within 2 kilometres of the boundaries of the proposed site.
- A plan of the proposed site with the area and dimensions clearly noted.
- A plan of the site identifying any easements (such as power and telecommunications) in the near vicinity.
- A document from the municipal Council and/or relevant authorities advising the zoning of the proposed property.
- A list of requirements from the municipal Council and/or relevant authorities for obtaining the necessary permits to allow the site to be used for the purpose proposed.
- Plan/s of the proposed/intended development of the site.

7.2.2 Funding

The application must clearly identify:

- The amount of funding required. A clearly itemised breakdown of the costs must be included to identify how the total was arrived at. Where the amount is an estimate this shall be clearly noted as an estimate. Documentation to support the amount is required and, where available, written estimates must be provided.
- A full and detailed business plan of how the loan will be repaid. This shall include details of any requested “interest only” periods and the reasons.
- The period that the loan will be repaid over.

7.2.3 Other Documentation

The documentation to include but not necessarily be restricted to:

- A copy of an official map which identifies the controlled airspace, with the location of the proposed site clearly marked so that the ceiling height at the site can be obtained.
- Location of any full size airport within 10 kilometres and information re full size traffic patterns in the area.
- Locality map indicating other model radio clubs (air, land or water) in the vicinity.
- A locality map clearly showing the location of the proposed site with local roads and topography.
- Club membership numbers for the previous 6 years.
- Past financial balance sheets of club (minimum two years).
- Statement of assets of the applicant (club or State Association). This to include cash assets (bank statements required) and land and other property.
- Statement and details of liabilities including debts and loans.
- The name of the owner of the land being considered for purchase.
- A statement advising of any pecuniary interests in the land by any club or Association member.
- A statement advising of any pecuniary interests in the land by any individual associated with either the club, the State Association or the MAAA.
- A statement as to the costs involved in obtaining the necessary permits.
- A statement as to the timing of obtaining the necessary permits.
- A guarantee to underwrite the loan from the Ordinary Member if needed under this MOP.

7.3 Initial Review

- 7.3.1 If the Executive considers that the application is in order, it shall be forwarded to the Chairman of the Land Bureau Subcommittee.

7.4 Subcommittee Process

- 7.4.1 It is the responsibility of the Chairman of the Land Bureau Subcommittee to forward copies of the application to all Subcommittee members for their independent perusal, consideration and decision. When distributing the documents the Chairman also establishes a time frame within which a decision needs to be made.
- 7.4.2 Any discussion arising from Loan Applications is normally held via email.
- 7.4.3 Subcommittee members are expected to question, discuss and form an independent opinion on each application and make a recommendation in one of three ways:

- a. accept the application
- b. defer the application while seeking further information
- c. reject the application. The rejection of an application does not disqualify an applicant from submitting a new application

7.4.4 The final decision of the Land Bureau is circulated in writing to all Subcommittee members and each is expected to acknowledge their voting position, sign accordingly and return their written acknowledgement to the Chairman.

7.4.5 In cases of doubt, the application may be deferred while further information is sought from the applicant.

7.4.6 The decision based on the majority is forwarded to the Federal Secretary.

7.5 Final Approval

7.5.1 The MAAA Executive can accept or reject the decision up to \$200,000 only.

7.5.2 A rejection of the decision by the MAAA Executive would then need to be dealt with by Council unless the application is withdrawn.

7.5.3 The Federal Secretary advises the applicant of the decision.

7.5.4 If the application is accepted, the Federal Secretary, in conjunction with the Federal Treasurer, processes the loan.

7.5.5 Successful applicants involved in MAAA land purchases and leasing of these sites will be expected to sign lease agreements.

7.5.6 Successful applicants for loans will be required to sign a loan agreement indicating:

- the total amount of the loan including interest
- the period of the loan
- method of repayment
- date(s) of repayment
- agreement that Deeds are held by MAAA as security