

Purpose

The purpose of this policy is to provide clubs with information regarding the types of funding available from the Club Development Fund.

Definitions

- Club Development Fund (CDF): A bank account managed by Karting (New South Wales) Inc. that contains funds collected from each race entry fee.
- Karting (New South Wales) Inc. (hereafter “KNSW”): The State Sporting Organisation for the sport of Go Karting in NSW.
- KNSW Member Clubs (hereafter “KMCs”): Consists of Karting NSW affiliated clubs that have voting rights.

Policy Development, Changes and Approval

This policy has been developed by the KNSW Grants Committee. The approval process consists of the KNSW Board and KMCs.

Changes to this document require approval from no less than 60% of the KMCs.

Policy

KNSW will:

- collect \$3 from each race entry fee and deposit this in the Club Development Fund.
- keep an open mind with regard to reviewing each application for accessing the CDF.
- assess each application on its own merit.
- assess each application without prejudice.
- assess each application fairly to ultimately determine what is in the best interests of the sport.
- consult with KMCs where applicable.
- endeavour to support the efforts of Clubs in their pursuit of funding.

KNSW may:

- Consult with stakeholders of the sport about a club’s proposal to access the CDF.
- Request the club amend their proposal or alter their application to meet the needs of the KNSW Board before approval. This may include providing additional information required by the Board or KMCs.
- Express their right to approve or disapprove a club’s application if it is deemed to not be in the best interests of the sport, KMCs or the wider community.
- For Interest-Free Loans, ask for relevant financial information from the specific club and seek a business plan to ensure the club has the ability to repay funds.

KNSW will not:

- Misuse the CDF funds, ensuring the CDF is only used for purposes specified in this document.
- Disregard an application without a thorough review.
- Make changes to the CDF policy without KMCs' approval.

Note: KNSW reserves the right to review conflicts of interest brought forward by club members, committee members and other members of the karting community in relation to projects developed through the CDF. This is to maintain fairness and to ensure the project is not undertaken for any financial gain to a specific individual or group.

Minimum Balance

The Club Development Fund minimum balance should not be less than the total of funds collected from the race entry fee for the last financial year.

Audit

The Club Development Fund will be audited annually with the signed audited accounts to be included as part of the Annual Report presented at the AGM to member clubs each year.

Appeal

If a club is unsuccessful in their application for funding from the Club Development Fund, within 4 weeks the club may wish to:

- a) request a meeting with the Board of Karting NSW to better understand Karting NSW's position on why the application was not successful, and/or
- b) re-work their application incorporating feedback from Karting NSW, and/or
- c) re-apply supplying supporting documentation to strengthen the application.

If the club is unsuccessful in the re-submission of the application, within 12 weeks of being notified the club may Appeal and seek the support of other KMC's. If the club is successful in seeking written support of more than 50% of KMCs, the Appeal will be considered a success and the application for funding will be approved.

Club Development Fund Uses

Types of Funding Available	Eligibility Criteria	Examples
<p><u>CDF Safety Payments</u> Karting NSW will match clubs on a \$1 for \$1 basis where is used for safety improvements.</p> <p>Amount: Up to 33.3% of the balance of the CDF and capped at \$5,000 – whichever is less.</p> <p>Payments will be made and structured as a conditional loan. Repayment of the loan and interest may be waived in circumstances where a Club complies with the terms of the loan agreement.</p>	<ul style="list-style-type: none"> ● Must be a current KNSW affiliated club, and affiliated for >2 years ● Must have run at least 16 race meetings sanctioned by KNSW within the past 4 years. ● Can be used to purchase materials where the Club provides labour to satisfy the \$1 for \$1 requirement. ● Amongst other requirements, a recipient Club will be required to commit to running events under KNSW for a minimum period of 5 years. 	<ul style="list-style-type: none"> ● Catch trap improvements. ● Upgrades to Lights and Flags. ● Safety Fence upgrades. ● Tyre barrier replacements. ● Hazard minimisation projects.
<p><u>CDF Improvement Loan</u> Karting NSW will provide clubs with interest-free loans for facility or equipment upgrades.</p> <p>Amount: Up to 33.3% of the balance of the CDF and capped at \$100,000 - whichever is less.</p> <p>Requires KMC's majority vote approval for Interest Free Loans over \$10,000.</p> <p>The interest free status of the loan is conditional upon recipient Clubs complying with the terms of the CDF Loan Agreement</p>	<ul style="list-style-type: none"> ● Must be a current KNSW affiliated club, and affiliated for >2 years. ● Must have run at least 16 race meetings sanctioned by KNSW within the past 4 years. KNSW can dismiss this requirement. ● The club must be able to demonstrate the loan can be re-paid within 3 years unless a longer timeframe is agreed with KNSW. ● Amongst other requirements, a recipient Club will be required to commit to running events under KNSW for a minimum period of 5 years. ● The club must re-pay the Loan within 30 days of choosing to affiliate with an alternate governing body or becoming an independent kart club during the term of the loan or otherwise breaching the terms of the CDF Loan Agreement ● Any loan to KNSW must be approved by a majority vote of KMCs, 	<ul style="list-style-type: none"> ● Addition of track lighting/lighting upgrades. ● Track surface upgrades. ● Covered Grids and Shelters. ● Toilet / Shower upgrades. ● Canteen upgrades. ● Trackside Accommodation. ● Improvements to Karting operations. ● Technology upgrades.

<p>KNSW may apply for a 12-month interest free loan</p>	<p>irrespective of what amount is requested. The lending purpose is not limited to specific items where approved by KMCs.</p>	
<p><u>CDF Special Project Payments</u></p> <p>KNSW may initiate Special Projects or Grants for the benefit of affiliated clubs.</p> <p>Amount: Up to 33.3% of the balance of the CDF and capped at \$50,000 - whichever is less.</p>	<ul style="list-style-type: none"> ● Must be shared fairly among KNSW affiliated clubs that: <ul style="list-style-type: none"> ○ are currently affiliated with KNSW, ○ have been affiliated with KNSW for >2 years, ○ have run at least 16 race meetings sanctioned by KNSW within the past 4 years. ● Must be approved by a majority vote of KMC's. 	<ul style="list-style-type: none"> ● Club specific podium media walls, signage & promotional material ● Advertising. ● Technology upgrades. ● Rewards and Recognition. ● Programs to grow the sport and attract new members.

CDF Club Rejuvenation Payment

Clubs that have faced serious financial hardship and are no longer conducting race meetings or have conducted less than 3 race meetings in the previous 12 months may be eligible for a Club Rejuvenation Payment, so they are able to get up and running again.

The Payment will be made and **structured as a conditional loan**. Repayment of the loan and interest may be waived in circumstances where a Club complies with the terms of the loan agreement.

Amount: Up to 33.3% of the balance of the CDF and capped at \$50,000 – whichever is less.

Requires approval from KMCs by a majority vote for Club Rejuvenation Payments over \$10,000.

- Must be a KNSW affiliated club for >5 years.
- Must have previously conducted racing at the club's own facility in the past.
- Must not have conducted more than 3 race meetings in the previous 12 months.
- Must spend the funding specifically on the purpose for which the Club Rejuvenation Payment is intended.
- Must attend monthly meetings with the Board of KNSW to track progress towards getting back to racing.
- Not eligible for another Club Rejuvenation Payment any sooner than 15 years, however, may be eligible for other types of funding specified in this document following the re-commencement of racing.
- Must commit to conducting at least 4 race meetings over the following 18 months.
- Amongst other requirements, a recipient Club will be required to commit to running events under KNSW for a minimum period of 5 years.
- The club must re-pay the CDF Club Rejuvenation Payment if they choose to affiliate with an alternate governing body or become an independent kart club or otherwise breach the Loan agreement.

- Clubs that are unable to race because their facility is in disrepair.
- Clubs that are in desperate need of building their membership, and/or are at the brink of collapse.

<p><u>New Club Start-up Payment</u></p> <p>In an effort to grow the sport of karting, new clubs may be eligible for some start-up expenses to be re-imbursed up to \$1,200 within the first 2 years of registering as an incorporated association.</p> <p>The Payment will be made and structured as a conditional loan. Repayment of the loan and interest may be waived in circumstances where a Club complies with the terms of the loan agreement.</p>	<ul style="list-style-type: none"> ● Must affiliate with KNSW (meaning the club must be an incorporated association, with a constitution, and have a minimum of 5 members) and remain affiliated for a period of 5 years otherwise the payment must be repaid in full. ● Must have an ABN. ● Must have a business plan, including a schedule for how and when the club expects to be racing. ● Does not need to be based in New South Wales but does need to be based in Australia. ● Not eligible for another New Club Start-up Payment, however, may be eligible for other types of funding specified in this document following the commencement of racing. ● Must be claimed within the first 2 years of registering as an incorporated association. ● Amongst other requirements, a recipient Club will be required to commit to running events under KNSW for a minimum period of 5 years 	<ul style="list-style-type: none"> ● Administration expenses. ● Promotion and advertising expenses including but not limited to a club printed marquee for example. ● Establishing an online presence including but not limited to branding, website design and hosting. ● Physical equipment such as race control flags/lights, timing equipment and technology, fire extinguishers, UHF radios, etc.
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Important: Changes to this document require a majority vote of the KMC's for approval.

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