



# Member Welfare Fund

## Australian Education Union ACT Branch Policy

Policy Number	POL021	Version	4.0
Last Reviewed	13/06/2018	Next Review	13/06/2021

### INTRODUCTION

In accordance with *AEU ACT Federal Branch Rule 44 - Member Welfare Fund* the Union maintains a fund of \$45,000 for the purpose of providing interest free loans to members to relieve them or their dependents from severe financial hardship.

### PURPOSE

This policy outlines the application, approval and management processes for the Member Welfare Fund.

### POLICY

Individual loans of a maximum of \$6,000 will be granted at the discretion of the Branch Executive to members that complete the application process and meet the criteria.

### RESPONSIBILITIES

It is the responsibility of the Branch Secretary to ensure that officers and employees and are aware of this policy and to oversee the management of defaulting loans

It is the responsibility of the Branch Secretary and Branch Executive to approve or decline loan applications in accordance with this policy.

It is the responsibility of the Business Manager to manage the fund, provide monthly performance reports to Branch Executive and ensure information for members is available on the website

### PROCEDURES

#### 1) Application Process

- A member seeking to access a loan must complete a Member Welfare Fund Application Form.
- Applications are coordinated by the Business Manager.

#### 2) Loan Criteria

To qualify for a loan the member must:

- Be a current financial member of the AEU ACT Branch at the time of application.
- Have maintained continuous financial membership for a minimum of 12 months prior to the loan application, unless Branch Executive determines an exception should be made based on extraordinary or compassionate grounds.
- Demonstrate genuine financial hardship.
- Provide detail of what the loan funds will be used for.
- Not have children attending non-government schools.
- Make an honest representation of their current financial situation.
- Agree to a fortnightly direct debit repayment schedule.
- Demonstrate their ability to repay the loan within 24 months.

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#### **3) Approval Process**

- Completed applications will be presented for determination at the next Branch Executive meeting.
- Applications will be de-identified with the member number used as the reference.

#### **4) Urgent Applications**

- Should the member be in urgent need of assistance, the Branch Secretary may approve an initial loan to a maximum of \$3000 on the condition that, if Branch Executive at its next meeting, does not approve the loan, it must be repaid as determined by Branch Executive in accordance with *AEU ACT Federal Branch Rule 44 - Member Welfare Fund*.
- The Branch Secretary may choose to defer a decision regarding an urgent application to the next Branch Executive meeting.

#### **5) Loan Repayment**

- An approved loan has a maximum term of 24 months from the commencement of repayments, and a minimum fortnightly repayment of \$30.
- If a loan recipient ceases to be a member of the Union, repayment of the full balance of the loan is required within 14 days.

#### **6) Management of Defaulting Loans**

- The Business Manager will be responsible for liaising with loan recipients who have defaulted on repayments.
- Where a loan recipient is experiencing difficulties in meeting the repayment terms the Business Manager may renegotiate a loan repayment schedule to a maximum term of 36 months.
- Where a loan recipient continues to default on a renegotiated loan schedule the matter will be referred to the Branch Secretary who will decide on one of the following courses of action:
  1. Renegotiate the loan schedule to any term deemed appropriate.
  2. Make a recommendation to the Branch Executive for the debt to be written off.
  3. Instigate debt recovery proceedings.

#### **7) Appeals**

- The Branch Executive has the right to decline any loan based on their assessment of the application.
- No appeal process is available to the applicant.

#### **RESOURCES**

In accordance with *AEU ACT Federal Branch Rule 44 - Member Welfare Fund*, the fund must be maintained from the general revenue of the Union. Other operational activities related to this policy are to be delivered within budgeted office resources.