Melbourne Archdiocese
Catholic Schools

MARYMEDE CATHOLIC COLLEGE
In the way of Mary

Supplementary Capital Fund Policy

Introduction

The Supplementary Capital Fund was established to provide additional capital funding assistance to needier parish primary schools, special schools and special assistance schools in the Archdiocese of Melbourne.

The Supplementary Capital Fund provides funds to assist in the ongoing repayment of Catholic Development Fund (CDF) loans of approved capital works that complement school efforts to improve and expand their learning environments.

Purpose

To ensure schools are familiar with the requirements for supplementary funding for capital projects within MACS primary, special and special assistance schools.

Scope

This policy applies to:

- MACS primary, special and special assistance schools
- MACS primary, special and special assistance school principals and staff involved in supplementary funding matters
- the Executive Director and MACS office staff involved in supplementary funding matters on behalf of MACS primary, special and special assistance schools
- the MACS Supplementary Capital Fund Committee
- supplementary funding records associated with MACS, and MACS primary, special and special assistance schools.

Principles

The SCF assists eligible primary, special and special assistance schools to undertake higher borrowings than they would otherwise be able to afford with their resources.

The SCF requires each eligible school to contribute an annual 'per student' levy. Every eligible school contributes in the knowledge that, although the fund may never directly assist them, it enables other primary schools, special schools and special assistance schools to provide facilities. It is an extension of the needs-based funding principle which underpins the distribution of government recurrent grants in the Archdiocese of Melbourne. The accumulated levies form a pool of funds from which assistance can be given.

Recommendations for funding assistance are managed by the SCF Committee to ensure that fairness and impartial assessment of need are maintained.

The SCF operates separately from the Catholic Capital Grants (Victoria) Ltd government capital grants programs.

Policy

1. Supplementary Capital Fund assistance

1.1. The SCF may assist primary, special and special assistance schools that:

1.1.1. are not able to attract priority for a government capital grant, but find it difficult or impossible to finance a project without assistance

1.1.2. can attract a government capital grant, but may still need assistance in meeting the repayments, particularly in the first years of the life of a loan

1.1.3. provide new Catholic education opportunities in growth areas of the Archdiocese.

1.2. The SCF is not intended to:

1.2.1. be used to support schools that would otherwise be unviable

1.2.2. be a replacement for support from local parish communities

1.2.3. assist schools with maintenance expenditure of a recurrent nature which are undertaken and planned cyclically at the school.

2. SCF levy

2.1. Each eligible school is required to pay an annual ‘per pupil’ levy to support the SCF.

2.2. The levy will be agreed between MACS and primary schools, special and special assistance schools annually.

2.3. Levies will form a pool for allocation for eligible school applications for SCF loan assistance.

2.4. SCF assistance will provide for new schools in the first three stages of their building program.

2.5. The collection of the SCF levy will occur as a deduction from the school’s recurrent funding, in the same manner as the MACS levy.

3. Supplementary Capital Fund Committee

3.1. The SCF will be overseen and managed by a SCF Committee that comprises:

3.1.1. Director, Finance and Infrastructure

3.1.2. Chief Planning and Infrastructure Officer

3.1.3. Chief Financial Officer

3.1.4. CAM Director – Finance and Corporate Services

3.1.5. two parish priests

3.1.6. an external independent finance person

3.2. The quorum for SCF Committee meetings is a majority of members appointed to the SCF Committee.

3.3. The SCF Committee reports to the Executive Director, who will also appoint the committee chair.

3.4. The Infrastructure and Finance Services teams will service the operational requirements of the SCF Committee.

4. Eligibility for Supplementary Capital Funding

4.1. SCF is only available to eligible schools, being MACS primary, special and special assistance schools for approved capital projects for refurbishment, upgrade or construction of school buildings.

4.2. School capital projects which are the subject of application for SCF assistance must be approved by the appropriate financial delegate, as detailed in the relevant school's financial Delegation Instrument.

4.3. Prior to applying for SCF assistance, schools are required to:

4.3.1. complete a Catholic Capital Grants (Victoria) Ltd application prior to seeking SCF assistance.

4.3.2. demonstrate that the school's capacity to meet the full repayment costs of a loan is reduced.

4.4. Consideration for SCF assistance may be given to include the cost of providing furniture and equipment, however no consideration can be made for:

4.4.1. cyclical maintenance costs of a recurrent nature

4.4.2. servicing or refinancing of existing debts or loan renegotiations

4.4.3. unapproved capital projects.

5. Applications for Supplementary Capital Funding

5.1. The SCF Committee will assess school SCF applications against the following selection criteria to consider whether the capital project involves:

5.1.1. schools that are experiencing enrolment growth and require additional facilities to meet the demand from families within parish boundaries

5.1.2. existing school facilities that need to be upgraded or demolished and rebuilt to remain fit for purpose, including:

5.1.3. facilities that are in very poor condition, are degraded and require refurbishment

5.1.4. upgrades to meet building code requirements and occupational health and safety standards

5.1.5. facilities that need to be upgraded to meet structural safety and building integrity standards

5.1.6. existing school facilities that are below the standard required to meet contemporary teaching and learning pedagogy

5.1.7. schools that cannot self-fund the full cost of the project from existing reserves and borrowings.

6. SCF assistance review and subsequent SCF assistance

6.1. While it is intended that the SCF may provide assistance up to the full life of the loan, the general expectation is that assistance will be provided for three years, with additional assistance being conditional upon the degree of financial need within the school community.

6.2. Any school that has received SCF assistance for a capital project may only be eligible to receive SCF assistance for a subsequent project after an interval of four years, unless the SCF Committee deems that exceptional circumstances exist and waive this requirement.

6.3. Exceptional circumstances may include matters that relate to significant demographic changes, major structural problems, site conditions or site access.

7. **SCF annual report**

7.1. The SCF Committee will provide an annual report on its and the SCF's activities to the MACS Board and the Archbishop.

7.2. The annual report will address the:

7.2.1. SCF levy and other income sources

7.2.2. projects approved for SCF assistance

7.2.3. funds disbursed to schools

7.2.4. end of year SCF balance

7.2.5. SCF capacity to fund future projects.

Procedures

Procedures to implement this policy are detailed in the Supplementary Capital Fund Procedures.

Definitions

AFS
The school's CECV Annual Financial Statement.

CAM
Catholic Archdiocese of Melbourne.

CDF
Catholic Development Fund, MACS' preferred financial institution.

MACS
MACS is a reference to Melbourne Archdiocese Catholic Schools Ltd, and / or its subsidiary, MACSS.

MACSS
Melbourne Archdiocese Catholic Specialist Schools Ltd, a wholly owned subsidiary of MACS established to conduct and operate specialist schools.

Principal
MACS primary, special and special assistance school principals.

SCF
MACS Supplementary Capital Fund.

School(s)
A school which operates with the consent of the Catholic Archbishop of Melbourne and is owned, operated and governed by MACS, directly or through MACSS (as the context requires). References to schools or MACS schools also includes boarding premises of schools operated by MACS and specialist schools operated by MACSS.

Related policies

Major Capital Projects Policy

Financial Records and Accountable Documents Management Policy Secondary School Procurement and Payment Policy

MACS Primary School Financial Delegation Instrument

MACS Secondary School Financial Delegation Instrument (including special and special assistance schools)

Policy information

Responsible director	Director, Finance and Infrastructure
Policy owner	Chief Planning and Infrastructure Officer
Approving authority	MACS Executive Director
Assigned board committee	Finance and Audit Board Committee
Approval date	September 2022
Risk Rating	Moderate
Date of next review	September 2024

POLICY DATABASE INFORMATION	
Assigned Framework	Infrastructure
Related documents	Supplementary Capital Fund Procedures Supplementary Capital Fund Application
Superseded documents	Supplementary Capital Fund Policy – v1.0 – 2021
New policy	