



**IRISH RUGBY FOOTBALL UNION**

**GUIDELINES ON  
FINANCIAL ASSISTANCE TO CLUBS**  
(including terms & conditions)

(Original 1992 – Revision 2000/2014)

Revised Guidelines  
to apply to approvals given on or after  
1st November 2014

# **IRISH RUGBY FOOTBALL UNION (“The Union”)**

## Guidelines on Financial Assistance to Clubs

**It should be noted that a club should not assume financial assistance under the guidelines will be forthcoming and should not incur commitments or liabilities until it has received notification that formal approval has been given.**

**The Branch to which the applicant club is affiliated must examine the application to establish that it complies with these guidelines before approving the application and submitting it to the Union and the Union will decide upon the application in its absolute and unfettered discretion.**

**Any financial assistance from the Union is an arrangement strictly between the club and the Union. There is no obligation upon the Union to make any payment to any other lender or lending institution nor shall the Union incur any liability whatsoever to such lender or lending institution in respect of its loan to the club and no reliance should be placed by the lender or lending institution on the arrangements between the club and the Union.**

## **1 INTRODUCTION**

- 1.1 The objective of the scheme is to measurably increase and improve the scope for the playing of the game of Rugby Football in Ireland by providing financial assistance to clubs for the purchase and/or improvement of playing and playing related facilities and also for the facilities, equipment and amenities specified in section 3. For the avoidance of doubt all applications will be considered without obligation or commitment by the Union to approve any such financial assistance on a case by case basis.

## **2 QUALIFICATION FOR ASSISTANCE**

- 2.1 All clubs affiliated to the Irish Rugby Football Union shall be eligible for assistance subject to the following qualifications;
  - (i) The Club’s performance in the Clubs of Ireland Scheme will be an important aspect in the evaluation of the application.
  - (ii) Clubs must be fully compliant with all Union regulations.

- (iii) The Branch to which the applicant club is affiliated must examine the application to establish that it complies with these guidelines before approving the application.
- (iv) No application for a loan or interest subsidy under this scheme will be considered if any arrears are outstanding.

### **3 PROJECTS FOR WHICH ASSISTANCE WILL BE CONSIDERED**

- 3.1 Purchase of freehold and/or long leasehold land for Club facilities.
- 3.2 Improvement of freehold and/or long leasehold land already owned for playing purposes.
- 3.3 Construction or major improvement of dressing rooms and/or other playing facilities including all weather surfaces.
- 3.4 Supply and installation of floodlighting in accordance with Union approved specifications.
- 3.5 Major refurbishment of club premises.
- 3.6 Construction of new facilities within the ambit of the game but not related to the playing of the game.

### **4 EXPENDITURE FOR WHICH ASSISTANCE IS NOT ALLOWED**

- 4.1 Any projects where clubs have already committed themselves to expenditure by way of purchase contract or other binding agreement without first obtaining the written consent of the Union other than in circumstances which the Union in its absolute discretion considers exceptional.
- 4.2 Any project associated with the provision or improvement of bar facilities.
- 4.3 The value of work done by voluntary labour other than the costs of materials used.
- 4.4 Value Added Tax when an applicant body is registered for VAT purposes and can recover the tax paid.
- 4.5 Any project where the conditions set by the Union are not agreed or complied with.

## 5 TYPES AND TERMS OF ASSISTANCE

5.1 Assistance may be provided by the following methods:

- (i) Loan;
- (ii) Interest Relief Subsidy;

PROVIDED ALWAYS the combined total of Loan amount outstanding and the amount upon which Interest Relief Subsidy is granted does not at any time exceed **€127,000**.

5.2 Any assistance by way of loan in respect of any project referred to in Clause 3 will be subject to the following terms conditions and provisions:

- (i) Any such assistance will be conditional upon the applicant club being able to fund a minimum of 25% of purchase price or project cost (as the case may be) either from its own resources or with grants from other bodies. However, some funding from the Club's own resources is required and lack of same will impact negatively on the Club's application. If this condition is satisfied the Union may agree to provide part funding **up to a maximum loan of €100,000**.
- (ii) Interest on loans will be charged at 1% per annum compound on all balances outstanding. Repayments will be in accordance with an agreed schedule and will be effected by way of Direct Debit as repayments will commence at the end of the first quarter after drawdown.
- (iii) Loans granted will normally be for a maximum of 10 years at the absolute discretion of the Union.
- (iv) The Union reserves the right to:
  - Withhold Clubs of Ireland assistance and/or entitlements to international tickets until all outstanding arrears have been settled.
  - To vary the rate of interest charged during the term of the loan.
  - Recoup any costs incurred by the Union in pursuing any default (including any legal costs that may be incurred).
- (v) The maximum indebtedness to the Union of any club may not exceed €100,000 at any point in time (not including interest & penalties or costs incurred).

- (vi) A negative covenant may be required from the Club trustees re future borrowings and or dealings with the Club's Lands.

**5.3** Assistance by way of Interest Relief Subsidy may be considered to subsidise a proportion of interest accruing in respect of a loan granted by an outside body (i.e. a Bank) subject to the following terms conditions and provisions:

- (i) The subsidy will be payable to the club and not to the lending institution. For the avoidance of doubt, the subsidy is an arrangement strictly between the club and the Union and there is no obligation upon the Union to make any payment to any other lender or lending institution nor shall the Union incur any liability whatsoever to such lender or lending institution in respect of its loan to the club and no reliance should be placed by the lender or lending institution on the arrangements between the club and the Union.
- (ii) The subsidy will be paid annually to the club on receipt of bank statements showing clearly all repayments, interest charges and interest rates applied over the course of the year.
- (iii) Should the club fail to meet its repayments to the Bank, the Union will not pay any outstanding interest that may accrue and the subsidy support will be terminated.
- (iv) Interest Relief will be available for a maximum period of 10 years and the rate of subsidy will be 10% max. The Union reserves the right to vary the rate of interest subsidy at its discretion.
- (v) Loans which are to be the subject of interest relief subsidy must be utilised solely for the purposes outlined in Clause 3.
- (vi) Acceptance of offers of subsidy must be given to the Union within two months of the offer being made.
- (vii) The qualifying loan must be the subject of a separate bank account. Qualifying loans must be maintained entirely separate from other sources of borrowing.
- (viii) The club must comply fully with the terms of the loan and reduce the amount of the loan by instalments as required by the lender and at the rates and the levels applying at inception. Any variation that arises as between the Bank and the club shall not impact upon the Union.

The club must forward to the Union on a yearly basis copies of the Bank's loan statements providing details of interest charged on the loan during the period. The club must claim interest relief subsidy within six months of last financial year. Any further conditions imposed by the Union will be notified to the club at the time the offer of subsidy is made.

## **6 PAYMENT OF LOAN MONIES**

- 6.1 With regard to land purchase, release of funds to the solicitor acting in the purchase will be made only after confirmation from him/her that a binding contract to purchase is in existence, that completion of the purchase is imminent and that a loan agreement in the form required by the Union (the "IRFU Loan Agreement") has been signed by the Club's Trustees.
- 6.2 In all other cases, and subject to Club's Trustees having signed the IRFU Loan Agreement, funds will be released against architects' certificates or contractors' receipts or invoices as appropriate, or certified copies thereof, together with written confirmation from both the club's Honorary Treasurer and the Branch Hon. Secretary that the work has been completed.
- 6.3 In the event that funding is also required from another source, confirmation that such funding is approved and ready for release must first be provided.

## **7 INITIAL REQUIREMENTS**

Before an offer of financial assistance can be made the following conditions must be complied with:

- 7.1 The Union must be satisfied that the project qualifies for assistance in accordance with the objectives and purposes identified in sections 1.1 and 3.
- 7.2 Any necessary planning permission must have been granted.
- 7.3 Application for financial assistance must be fully completed and signed by the Club's Treasurer and Secretary. The club must exhibit up-to-date certified accounts covering the previous three years, spread on the IRFU club accounts template, a copy of the Club's Constitution confirming the borrowing powers of the club, a copy of the Deed of Appointment or other appropriate evidence of appointment of the current Trustees together with confirmation of Trustee acknowledgment and acceptance, a location plan and plans for the proposed project where appropriate.

- 7.4 The club must be able to satisfy the Union of its ability to meet the balance of the capital cost of the project, the cost of adequately maintaining the land and/or facilities after purchase and the cost of any loan repayments including providing the Union with a business plan and cash flow projections to the end of the loan period.
- 7.5 The club must be able to satisfy the Union that it has taken all possible action to obtain any available grants from central and local government bodies and any other funding body and submit all relevant documentation including a copy of the application and details of amounts receivable and related conditions.
- 7.6 The club must agree in writing to any conditions set by the Union.

## **8 LOAN ASSISTANCE**

- 8.1 After a project has been approved no change may be made to it except in minor detail with the approval of the Union. Any variations other than those permitted above may result in the withdrawal of the offer of loan.
- 8.2 Access to the work in hand if appropriate must be available at any time to the Union and/or Branch representatives.
- 8.3 All documentation, records and accounts relating to the work must be made available if required for examination by the Union's representatives.
- 8.4 Appropriate insurance must be in place including 3<sup>rd</sup> party and employer's liability insurance and all facilities must be insured sufficiently to provide for full replacement if damaged or destroyed.
- 8.5 The club shall be responsible for all legal costs and valuations and other fees incurred by the Union.
- 8.6 Acceptance of an offer of loan in the form of the IRFU Loan Agreement duly signed by the Club Trustees & Club Officers must be given to the Union within two months of confirmation of loan approval and prior to any drawdown.
- 8.7 Work on any project referred to in clauses 3.2 – 3.6 for which approval has been given must commence within six months of the date of the IRFU Loan Agreement and prior to any drawdown. **Any extension to this timeline shall be in the absolute discretion of the Union.**
- 8.8 The club must be free from constitutional restrictions in respect of borrowing up to the amount of the loan offered.

- 8.9 The Union is entitled to withhold payment of the loan (or any part thereof) and/or require the immediate repayment of the balance outstanding if:
- (i) The loan is not applied to carrying out the project or the project is not completed as approved by, and to the satisfaction of, the Union.
  - (ii) The club disposes of any interest in the property.
  - (iii) The club does not comply with the repayment terms of the loan as agreed with the Union.
  - (iv) The loan facility ceases to be used by the club.
  - (v) The project is not completed within 24 months from the date of the offer.
- 8.10 The Union may make any further conditions it considers necessary, details of which will be set out in the IRFU Loan Agreement.

## **9 SUMMARY**

- 9.1 Clubs wishing to undertake projects covered by these guidelines must comply with all legal requirements and should therefore seek professional advice. It is further advised that the appropriate Government and/or Local Authority are consulted prior to contracting qualified architects/surveyors.
- 9.2 It is in a club's own interests to apply for outline planning permission as early as possible. Planning permission is required for most of the items covered by these guidelines.
- 9.3 Application forms for financial assistance under these guidelines are available from Irish Rugby Football Union, The Finance Department, 10/12 Lansdowne Road, Dublin 4.
- 9.4 Queries concerning interpretation of these guidelines or completion of application forms should be directed to Irish Rugby Football Union, The Finance Department, at the above address.
- 9.5 (i) In the case of land purchase, consideration of an application will commence as soon as the application is received. When all aspects of the application are satisfactory it will be considered by the Union whose decision will be conveyed to the applicant club at the earliest opportunity.
- (ii) Save in respect of land purchase, applications are considered biannually and all such applications must be received for review prior to 31<sup>st</sup> October or 31<sup>st</sup> March. The Union will use its best endeavours to decide upon such applications as soon as it is practically possible.

**It should be noted that a club should not assume financial assistance under these guidelines will be forthcoming and should not incur commitments or liabilities until it has received notification that formal approval has been given.**



