

**INVESTMENT AND BORROWING**

INVESTMENT MANAGEMENT

LOANS POLICY

Other than pre-approved credit cards, any borrowing must be approved by the [board of trustees], and in accordance with Clothing Collective’s constitution, delegated authorities and rules on procurement.

Clothing Collective’s ability to pay back both the loan and the interest must be determined before entering into any borrowing.

The impact on Clothing Collective’s of any security required or bank covenants attached to a loan must be considered before entering into any borrowing.

Any loans taken out for cash flow purposes will be restricted to short term borrowings of [six months] or less, and must not exceed £10,000.

Where loans are advanced by an individual, including [trustees], the [board of trustees must be satisfied that this represents value for money. The loan must be properly documented setting out the principal, interest, charges and payment schedule. Any conflicts of interest must be noted and managed in accordance with Clothing Collective’s policy.

Records of all outstanding loans will be kept, noting:

* the history of repayments of principal and interest and the outstanding balance
* if the loan is secured or subject to bank covenants, the terms of the security or bank covenant will be logged on the fixed asset register.

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Registered Charity No: 1178825

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