

**CALIFORNIA STATE COUNCIL
STANDARD PROCEDURE: CHAPTER LOAN**

**Page
1 of 1**

I. PURPOSE

To outline the procedure for a Chapter to borrow money from the California State Council.

[NOTE: This will apply only to a new Chapter. A new Chapter is defined as one that is going through the activation process or a Chapter active for less than twelve (12) full months.]

II. PROCEDURE

- A. The Chapter President and/or Treasurer must submit a specific written request for a loan to the President of the State Council Board of Directors.
- B. All requests for a loan require the Board of Directors and State Council approval.
- C. The maximum loan shall be one thousand dollars (\$1,000).
- D. Loans will be interest free for the first two (2) years following issuance; thereafter, a new promissory note will be executed with the interest rate to be determined by the State Council Treasurer, after consultation with the bank where the State Council has its account.
- E. All promissory notes must be signed by the Chapter President and the Treasurer and notarized.
- F. Chapter loans are to be listed under Assets on the STATE COUNCIL REVENUE AND EXPENSE REPORT.

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