



DONATIONS POLICY

<u>Policy:</u> Donations	Effective Date:
Approved:	Review Date: 31 March 2020

(Nketoana Local Municipality)

DONATIONS POLICY

IN acknowledgement of the responsibility to apply the resources of the Municipality in the best interest of the local community, and to respond to needs; and

AS the Municipality, in terms of the Constitution of the Republic of South Africa, possesses executive powers in respect of a variety of Local Government issues; and

AS the Municipal Finance Management Act prescribes procedures for the transfer of funds to such qualifying organisations, institutions or bodies.

AS the Municipality can only support and assist community organisations, institutions or bodies whose objectives, functions or activities fall within the description of the functions and powers entrusted to Municipalities according to applicable law by providing grants;

THEREFORE Council accepted the following policy for the making of donations or grants.

1. DEFINITIONS:

“Donation” means services or goods to a qualified benevolent, non-profitable or community organisation, an institution or body.

“Monetary Grant” means a financial contribution, allocation of grants to an organisation, institution or body which entails the transfer of funds to such organisation, institution or body.

“Finance Management Act” means the Municipal Finance Management Act, No. 56 of 2003.

“Non-Monetary Grant” means an allocation or a concession to an organisation, institution or body in the form of reduced tariffs for services and facilities or making infrastructure, equipment or implements available.

“Organisation” means a qualified benevolent, non-profitable or community organisation, an institution or body, within the municipal area but outside any governmental sphere, to whom a grant is considered or made.

“Grant” means a monetary grant as well as a non-monetary grant, and includes donations, ex gratia payments and sponsorships.

2. PRINCIPLES AND OBJECTIVES:

2.1 The purpose of this policy is complementary to the aims, programmes and obligations of the (Nketoana Local Municipality) to provide for the acceptance, allocation and transfer of funds to qualifying organisations within the legal framework as determined by the Municipal Finance Management Act.

2.2 Funds for this purpose consist of funds budgeted by the Municipality

2.3 Council can also budget for funds to make donations or monetary grants or arrange for non--monetary grants in the prescribed manner as determined in the Municipal Finance Management Act and provided in the Municipality’s tariffs.

2.4 The abovementioned funds are handled within the procedural directions of Section 67 of the Finance Management Act.

2.5 The Municipal Manager is responsible for the effective expenditure control of these funds and for the implementation of the Council policy, systems and procedures to give effect thereto within the relevant administrative and statutory framework.

2.6 It is also the objective of this policy to ensure –

i) that measures are put in place that all applications for, and grants allocated, are undertaken in a fair and transparent way as far as possible;

ii) thereby a contribution is provided to the objectives of the Municipality as contained in its integrated development planning;

3. RESPONSIBILITY:

3.1 Although it is the responsibility of the Municipality to promote the broader interest of its community, it is, however, a fact that the available financial resources are not adequate to make donations or grants to all qualifying applicants.

3.2 The Municipality is consequently not obliged to make any donation or grant and has the right not to make a donation or grant to any or all organisations applying for grants. Having been given a donation or grant previously does not necessarily imply that the applicant(s) will receive a donation or grant again.

3.3 No rights are granted or vested and the Policy can be amended or cancelled as the municipal circumstances and needs may determine.

4. BUDGET:

4.1 The Executive Mayor is responsible for making provision annually in the budget for funds to effect donations or grants. For this purpose he/she must consult with the Accounting Officer and the Chief Financial Officer during the budgetary process.

4.2 The total value of the funds budgeted for this purpose, in a specific year, must, however, be within the financial ability of the Municipality, taking into account service delivery and other commitments. It shall not be in excess of 1,5% of the revenue obtained from property rates of the Municipality.

4.3 No allocation may exceed R50 000 or such increased amount as approved by Council.

4.4 Subject to the provisions of paragraphs 5.2 and 6.3, Council may determine that a portion of the budgeted amount is set aside for special and deserving cases which may be received outside the usual application procedure in respect of any deserving and qualifying case.

4.5 The Municipal Manager must, after consultation with the Executive Mayor, consider an application if received outside the annual application process as intended in paragraph 4.4 and make a single allocation which in each case must not exceed R10 000 or the increased amount which may be approved by Council.

4.6 The Municipal Manager must submit a quarterly report to Council on donations or grants made in terms of 4.5 above.

5. APPLICATION:

5.1 This policy will apply to all allocations and transfers of donations or grants made by the Municipality.

5.2 Monetary donations or grants will only be considered annually and made on the grounds of set requirements, merits and capability of the qualifying applicant and there is no obligation to make more than a single annual grant to any organisation. 5.3 Allocation of funds may not be considered or made contrary to this policy in the following circumstances:

- i) where the specific project or applicant is already receiving funds from the Municipality;
- ii) after consideration of the application, the opinion is that the applicant possesses adequate own resources or has access to other unused resources to sustain the project applied for

iii) for and when an individual benefits

iv) (a) any church or sectarian body, political party or a ratepayers organisation, union or organisations functioning on a profit basis;

(b) any organisation who requires a non-monetary grant for any activity which is operated, or will be presented on a profit basis.

v) where the envisaged projects or spending of funds will take place outside the municipal area;

vi) where previously allocated funds, whether from a municipality or another source were misused, misapplied or overspent;

vii) the normal costs and expenditure of the applicant for internal expenditure such as travel and accommodation, food, recreation, salaries, personnel, municipal services monies, levies and rates.

5.4 Without limiting or generalizing to bind the Municipality, applications in the undermentioned cases can be considered, subject to the provision and restrictions of this policy and the decision regarding the application will be final.

5.4.1 Registered community and beneficial organisations, charity associations, non-governmental and non-profit organisations, including for the protection of animals or for the care of disabled people or for learners with special needs

The following grants can be considered:

a) Transfer of funds for specific and specialised programmes and projects of such applicants;

b) Interest support on a loan concluded to provide a permanent improvement, including any maintenance to or on fixed and leased assets from the Municipality, which will be to the advantage of the Municipality.

5.4.2 Donations, sponsorships and grants to sports clubs for development and participation in Provincial and National sports gatherings.

i) The following donations or grants can be made to sports clubs and organisations to ensure sustained sports and recreation infrastructures and programmes to promote self-development, creativity and participation:

a) donations or monetary grants for sports and or recreational activities or for activities in respect of physical education, sports and recreation,

b) including the development of training and leadership programs; donations or grants as envisioned in paragraph 5.4.1. (a-b) above

5.4.3 Donations or grants can also be made in respect of the youth and their events:

i) Ward Council members must identify needs in the community with the assistance of the Youth Council, Ward Committees and youth organisations, and considered by the Adjudication Committee.

ii) a) Such needs must be included in the budget in the integrated development plan and funds allocated accordingly;

b) Ad hoc cases can be considered in exceptional circumstances, without compliance of sub paragraph (i) and ii(a).

5.4.4 The donations or grants as envisaged in paragraph 5.4.1 (a-b) above can be considered for registered community-based organisations and groupings (eg. Cape Nature Conservation) and other such organisations, which are aimed primarily at the ecologic sustainable development and application of natural resources for the promotion of justifiable economic and social development; and to stimulate development of sustainable free time spending, aesthetic and environmental projects and environmental factors and promotion of facilities, parks and water safety.

5.4.5 For the relief of the prejudicial results and impeded factors which set in as a result of disasters and adversity.

i) A donation or non-monetary grant of material, resources and the use of assets and facilities at no or reduced tariff levy, as circumstances may determine;

5.5 The Municipal Manager is authorised to, in compliance with the policy and section 67, conclude and sign an agreement with the Society for the Prevention of Cruelty to Animals and the Local Tourism Organisation in respect of allocations as approved in the annual budget.

6. APPLICATION FOR DONATIONS OR MONETARY GRANTS:

6.1 The Municipal Manager must annually, after approval of the budget, place an advertisement in the press wherein qualifying organisations are invited to apply on the prescribed application form for a donation or monetary grant.

6.2 The Municipal Manager must appoint an adjudicating committee to peruse and prioritise the qualifying applications and make recommendations to the Municipal Manager on the awarding of donations or grants.

6.3 All the qualifying applications must be considered on the basis of the following guidelines:

i) the applicant must function as a separate legal entity and be recognised as such in terms of South African legislation;

ii) be governed by an approved legal constitution or principles, with open membership, hold regular meetings, submit reports and implements effective, healthy, acceptable accounting practices, conform to or be able to conform to the requirements of Section 67 of the Municipal Finance Management Act and has in the past, where applicable, complied with the requirements for similar transfer of funds;

- iii) the circumstances and financial needs of the applicant, the access to funds and application of personal capital and other financial aspects;
- iv) the role of the applicant in, and contribution to, the local community;
- v) adjudication of information on the application form and documentation;
- vi) the objectives as contained in the policy;
- vii) the funds available for allocation and purposes for which and conditions under which the funds are established or money is paid into the Fund;
- viii) sustainability of the proposed project(s) and the possible prescribed commitments which it may entail.

6.4 The Municipal Manager has, after consultation with the Executive Mayor, the final say on the accepted applicants and the value of each donation or grant. Preceding procedures must, as far as possible, be completed within three (3) months after the placement of the advertisement.

6.5 The Municipal Manager must, at the subsequent Council meeting, submit a report that includes

- i) the names of the applicants;
- ii) the names of all the approved applicants;
- iii) the amount allocated to each applicant.

7. NON-MONETARY DONATIONS OR GRANTS:

7.1 Applications for donations or non-monetary grants, as and when applications are made, are considered by the Municipal Manager who may refer the application to an Adjudication Committee for a recommendation to the Municipal Manager.

7.2 The Municipal Manager, however, has the final say and can, in compliance with his/her duty to protect municipal interests and assets, impose additional conditions.

7.3 A register of the donations or non-monetary grants must be maintained by the Director: Corporate Services. Particulars of grants, particulars of the recipient and the amount must be recorded in the register.

8. CATEGORIES AND PROCEDURES:

8.1 The budgeted funds can only be applied for activities which correspond with the functions, duties and objectives entrusted legally to the Municipality. Within this framework the Municipality is prepared to assist organisations as far as possible by making grants.

8.2 The functional areas of the Municipality are described in part B of annexures 4 and 5 of the Constitution of South Africa. It forms part of the prescribed application form but could also include functions as allotted by the Provincial or Central Government. Applicants must familiarise themselves thoroughly of the requirements to qualify.

8.3 Interested applicants must hand in the fully completed prescribed application form together with the documentation required therein, at the office of the Municipal Manager within the prescribed period.

8.4 Applications not complying with the requirements will not be considered. Applications from applicants will not be considered unless an audited or acceptable certified financial report is received or unless there was non-compliance with section 67 of the Act.

9. CONTROL:

9.1 The donation or grant amount may be paid in two or more payments depending on the merits of the particular beneficiary and purpose for which it will be appropriated for.

9.2 The beneficiaries must conclude an agreement with the Municipality beforehand in order to comply with the provisions of Section 67 of the Act, or any other additional conditions imposed. The Municipal Manager is authorised to sign the agreements on behalf of the Municipality.

9.3 The Municipal Manager must introduce suitable mechanisms to ensure compliance by the beneficiaries of the imposed conditions, including measures such as reporting, visits to the organisation and/or projects, perusal of project budget.

9.4 If there is non-compliance with the requirements of the agreement; the beneficiary forfeits any remaining amounts not yet paid. Such balance may be allocated to any of the other qualifying organisation(s) on the authority of the Municipal Manager, after consultation with the Executive Mayor, on the grounds of a strongly motivated need.

10. REPORTING:

10.1 The Municipal Manager must submit a quarterly report to Council:

- i) regarding compliance with the contract conditions by beneficiaries;
- ii) regarding the cases where there were non-compliance with conditions;
- iii) regarding donations or non-monetary grants made.
- iv) regarding donations or non-monetary grants received.

v) compulsory proof of receipt of donation by all beneficiaries eg Signed lists of beneficiaries before payment.

10.2 The Municipality's Sub-Directorate: Social-Economic Development shall be responsible for the administration of the report in 10.1 unless a decision to the contrary is taken by the Adjudication Committee.

11. DELEGATION:

The Municipal Manager may delegate an administrative task or duty arising from an authority or obligation from this policy in writing to an official.

12. EFFECTIVE DATE:

This policy is known as the Donations Policy of the Municipality of Nketoana and takes effect from the date of approval by Council.



BENEFICIARY LIST

Item	Name	Surname	Contact no	ID No	Physical Address	Descri

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Signature

Municipal Official