

GEORGE MUNICIPALITY

POLICY FOR THE ALLOCATION OF GEORGE MUNICIPAL RELIEF AND CHARITABLE FUND



POLICY FOR THE ALLOCATION OF GEORGE MUNICIPAL RELIEF AND CHARITABLE FUND

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POLICY FOR THE ALLOCATION OF GEORGE MUNICIPAL RELIEF AND CHARITABLE FUND

1. Purpose

The purpose of the George Relief and Charitable Fund is to support the community and to complement the strategic goals, objectives, programs, and actions of this Municipality in order to create a sustainable, credible, and caring Municipality by elevating poverty, empowering and building a caring community, promoting growth, and development through partnerships.

2. Functions

- 2.1 George Relief and Charitable Fund should not duplicate operations already provided in Council or within the jurisdiction of the Municipality.
- 2.2 George Relief and Charitable Fund should improve the opportunity for the Municipality to elicit the support of external organizations and individuals to support a need within a household or of individuals as is determined within this policy.
- 2.3 George Relief and Charitable Fund aims to provide an enabling environment for external organizations and individuals to perform and enter into meaningful partnerships with this Municipality in order that we meet our strategic objectives of community development.
- 2.4 Any member of the public or organisation may donate money to the “Fund”
- 2.5 The Municipality may actively canvass for donations to the “Fund” for the purposes as determined within this policy.
- 2.6 The Municipality may within the annual budget appropriate funds to the “Fund” for the purposes as determined within this policy or as determined by Council.

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3. Objectives

- 3.1 Applications for George Relief and Charitable Fund must meet the requirements as set out in section 12 of the MFMA: Relief, Charitable, Trust, or Other Funds.

4. Legal

- 4.1 Section 12 of the Municipal Financial Management Act determines as follows;

“Relief, charitable, trust or other funds

Section 12 (1) - No political structure or office-bearer of a municipality may set up a relief, charitable, trust, or other fund of whatever description except in the name of the municipality. Only the municipal manager may be the accounting officer of any such fund.

(2)A municipality may in terms of section 7 open a separate bank account in the name of the municipality for the purpose of a relief, charitable, trust or other fund.

(3) Money received by the municipality for the purpose of a relief, charitable, trust or other fund must be paid into a bank account of the municipality, or if a separate bank account has been opened in terms of subsection (2), into that account.

(4) Money in a separate account opened in terms of subsection (2) may be withdrawn from the account without appropriation in terms of an approved budget, but only—

(a) by or on the written authority of the accounting officer acting in accordance with decisions of the municipal council; and

(b) for the purposes for which, and subject to any conditions on which, the fund was established or the money in the fund was donated.”

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5. Criteria

5.1 General Guidelines

The following guidelines shall apply upon application:

- 5.1.1 Funding of applications will be considered on an individual basis.
- 5.1.2 The Municipality reserves the right not to fund an Organisation two years in succession.
- 5.1.3 Funding **will not** be considered in the following instances:
 - 5.1.3.1 Applicants are required to disclose other sources of funding but fail or refuse to.
 - 5.1.3.2 Where in the Municipality's opinion, an organization/individual receives sufficient funds from other sources to sustain its activities or the project applied for.

For this purpose, organizations must submit financial statements and a budget for the ensuing financial year. Each case will be judged on merit and newly found organizations or small organizations will be exempted from this requirement.
 - 5.1.3.3 For political or ratepayer organizations/groupings
 - 5.1.3.4 Projects outside the boundaries of the Municipality and
 - 5.1.3.5 Where expenses have already been incurred.

5.2 The type of expenses to be funded is left to the discretion of the Executive Mayor. Such discretion must be exercised with due consideration to the provisions and particularly section 12 of the Municipal Finance Management Act, Nr. 56 of 2003 (MFMA).

5.3 Subsequent requests from applicants to cover overspending on projects will not be considered.

5.4 Where applications are turned down, written reasons for unsuccessful applications will be furnished.

5.5 Conditions (Applications from Organisations)

5.5.1 First Screening

Taking into consideration the General Guidelines listed above:

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- 5.5.1.1 Applicants are required to be registered as non-profit organisations in terms of section 13 of the Non-profit Organisation Act, 1997. This requirement will not be applicable where the annual allocation is R30 000 or less.
- 5.5.1.2 Registered section 21 (not for gain) companies in terms of the Companies Act, 1973 may also be considered for Grant-in-Aid assistance.
- 5.5.1.3 The focus area of a project or aim of an established organization must enhance the strategic priorities of the Municipality.
- 5.5.1.4 Organisations having received funding from the Municipality during the previous financial year, are required to attach to any **new applications**, a copy of the financial statements relating to the year in which the funding was received from the Municipality, as required in terms of Section 17 of the Non-profit Organisations Act, 1997 and section 67(1) of the Municipal Finance Management Act, 2003 (MFMA).
- 5.5.1.5 The Executive Mayor may refuse any donation where the conditions attached are unacceptable or not in accordance with the approved Fund Guidelines.
- 5.5.2 Second Screening`**
- 5.5.2.1 Applicants are required to demonstrate/substantiate the suitability, socio-economic upliftment component, and impact of their projects plans/programs with affected communities. The accessibility of such projects/programs to the broader community must also be demonstrated.
- 5.5.2.2 When called upon by the Municipality, successful applicants will be required to submit business plans and programs in respect of their projects/programmes. The degree of self-reliance shown in the execution of projects/programmes is also a requirement.
- 5.5.2.3 Applicants, in their submissions are required to satisfy the Municipality of the cost-effectiveness of their projects and their ability to execute such projects successfully.
- 5.5.2.4 Applicants must demonstrate the ability to manage funds effectively and be able to substantiate the financial viability of their projects/

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programmes. Applicants must satisfy the Municipality that they will be able to comply with the following stipulations of the MFMA:

- Has the capacity and has agreed –
 - i) To comply with any agreement with the municipality;
 - ii) For the period of the agreement to comply with all reporting, financial management and auditing requirements as may be stipulated in the agreement;
 - iii) To report at least monthly to the accounting officer on actual expenditure against such transfer; and
 - iv) To submit its audited financial statements for its financial year to the accounting officer promptly;
- implements effective, efficient and transparent financial management and internal control systems to guard against fraud, theft and financial mismanagement; and
- Has in respect of previous similar transfers complied with all the requirements of this section.

5.5.2.3 Grants allocated are exclusively to be utilized for the purposes defined in the agreement reached with successful applicants, which agreement must comply with the relevant sections of the MFMA.

5.5.2.4 Successful applicants are required to submit monthly review/progress reports to the Municipality in terms of section 67(1)(a)(iii) of the Municipal Finance Management Act 56 of 2003. Payment or part payment of grants may be allocated based on project review/progress.

5.5.2.5 Successful applicants are required to acknowledge the Municipality as a sponsor in their funding record as well as any public record of grants/donations received.

5.6 Categories Eligible for George Relief and Charitable Fund

The following categories will apply for any application for support received from an organisations or individuals.

Cognizance should be taken that these categories are not exhaustive and may be amended from time to time. Other than the general guidelines and

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conditions set out above, categories now indicated may require specific criteria applicable to its projects/programmes.

Health

Purpose

To ensure and support a healthy community

Projects/Programmes include the following but are not limited to:

- Public Health interventions inclusive of TB, STDs and HIV/Aids
- Preventable diseases of lifestyle e.g. Drug and alcohol abuse, tobacco related illnesses
- The Promotion and Preventative services for infants, children, and women.

Open Space and Nature Conservation

Purpose

To stimulate the development of sustainable leisure, aesthetic and environmental projects within the Municipal area so as to promote awareness of the environment and water safety.

Projects/Programmes include the following but are not limited to:

- Voluntary Rescue Organisations
- Environmental Groups/Organisations
- Organisations promoting community involvement as a means of sustaining Leisure, aesthetic or environmental projects.

Social Development

Purpose

The promotion of projects/programmes focusing especially on the needs of the most marginalized sectors in the Municipality.

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Projects/Programmes include the following but are not limited to:

- Cases of hardship which fall outside the indigent policy and program
- Emergency support in cases of natural disaster, damage to property
- Poverty alleviation
- Urban Renewal
- Capacity building of communities
- Youth development
- Women and gender development
- Early childhood development
- Street People programmes
- Facilitation of public participation processes
- Library Services
- Arts and Culture programme
- People with disabilities

Sports and Recreation

Purpose:

To stimulate the development of sustainable Sport and Recreation infrastructure and programmes within the Municipality especially targeting disadvantaged communities; Encourage creativity and self-reliance on the part of grassroots sport and recreation bodies or groups; To increase participation in sport and recreation programmes and activities.

Projects/Programmes include the following but are not limited to

- District Sport and Recreation Clubs
- District Sport and Recreation Councils or Associations
- Informal Sport and Recreation Groups
- Civic, community and non-governmental organizations
- Teams or Individuals that represent George Nationally or Internationally.

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Solid Waste (Cleansing)

Purpose

To keep George clean by Waste Reduction and awareness programs

Projects/Programmes include the following but are not limited to:

- Educational Programmes/projects addressing litter and waste handling
- Waste minimization solutions

Planning and Environment

Purpose

To ensure that George has sustainable growth

Projects/Programmes include the following but are not limited to:

Projects including but not limited to the sustainable management of:

- river banks and corridors;
- biodiversity;
- natural and built environment;
- heritage resources'
- quality urban spaces;
- ecological conservation areas;
- urban agricultural complexes;
- bioregional planning;
- nature area management

6. Allocation as per Donor Conditions

If a donor specifies conditions in respect of any donation, the donated amount may only be utilised in terms of those conditions, and on the condition that it is subject to the conditions stated under Fund Guidelines and Prohibited Uses.

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7. Decision Making Procedure

All applications for support in terms of this policy are to be considered and approved at the discretion of the Executive Mayor.

Such discretion must be exercised with due consideration to the provisions here within and particularly section 12 of the Municipal Finance Management Act, Nr. 56 of 2003 (MFMA).

The Executive Mayor may refuse any donation where the conditions attached are unacceptable or not in accordance with the approved Fund Guidelines.

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MEMORANDUM OF AGREEMENT (Organisations)

Entered into by and between

GEORGE MUNICIPALITY

Herein represented by _____ in his /her capacity as _____, he/she being duly authorized thereto

(Hereinafter referred to as “the Municipality”)

AND

Herein represented by _____ in his/her capacity as _____

He/she being duly authorized thereto **(Hereinafter referred to as “the Beneficiary”)**

WHEREAS the Municipality has agreed to allocate the sum of R (_____) to the Beneficiary and the Beneficiary has agreed to accept the money, subject to the conditions stipulated hereinafter;

WHEREAS the Beneficiary agrees to apply such allocated amount of money for the purposes of funding the programme as set out in the attached project/programme description and/or business plan attached as Annexure A, which project/programme description or business plan forms part of this agreement.

NOW THEREFORE THE PARTIES AGREE AS FOLLOWS:

- 1. The Municipality** shall effect payment of the sum of R (_____) to **the Beneficiary** in a lump sum or by instalments as follows:

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And **the Beneficiary** accepts the money allocated, subject to the following terms and conditions.

2. **The Beneficiary** undertakes to provide **the Municipality** with the details of a bank account at any registered bank within the Republic of South Africa within 7 (seven) days of the date of signing of this agreement in order to allow **the Municipality** to deposit the funds directly into such bank account.
3. **The Beneficiary** herewith confirms that effective, efficient, and transparent financial management and internal control systems are in place.
4. **The Beneficiary** will have provided **the Municipality** with a copy of its most recent financial statements, prior to the signing of this agreement, as part of **the Municipality's** assessment process.
5. **The Beneficiary** undertakes to appoint a registered accountant to prepare and audit its financial statement in respect of the financial years for which this agreement is or remains in force.
6. **The Beneficiary** herewith confirms and acknowledges that the funds may only be utilized for the purpose for which it was approved.
7. **The Beneficiary** must ensure that the funds earn interest at competitive rates until it can be utilized for the purpose for which it was approved.
8. Interest earned must be credited to the account mentioned in terms of clause 2 and may only be utilized for the benefit of the approved project.
9. The parties agree that in the event that the project does not commence within 6 (six) months after the funds were deposited into the bank account of **the Beneficiary**, all funds paid by **the Municipality** in respect of this project/programme must immediately be refunded to **the Municipality**, with all interest accrued.
10. The Parties agree that, on completion of the project/programme, any unutilized funds and interest earned thereon will be paid back to **the**

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Municipality within one month or on a date as determined by the **Municipality**.

11. **The Beneficiary** undertakes to retain all expenditure vouchers, including cashed cheques, indicating the project number, etc. for audit purposes.
12. **The Beneficiary** undertakes to submit to **the Municipality (Manager: Finance)** _____ monthly reports reflecting expenditure incurred against the funds deposited. The **Municipality** retains the right to request more frequent expenditure reports if deemed necessary.
13. Audited financial statements, which disclose the total allocation of funds from **the Municipality**, total interest earned and total expenditure , must be forwarded to **the Municipality (Manager: Finance _____)** within three months of the end of **the Beneficiary's** financial year in respect of the financial years for which this agreement is or remains in force.
14. **The Beneficiary**, on completion of the project, must submit a comprehensive report, prepared by its Director/Chief Executive Officer or other most senior member of its management team, as the case may be, pertaining to the project funds allocated and which refers to:
 - the functions and objectives of **the Beneficiary** organization provided for by Law or in terms of this agreement;
 - the extent to which **the Beneficiary** achieved the objectives for which the Funds have been provided; and
 - any other appropriate performance information regarding the economical, effective, efficient and appropriate utilization of the funds.
15. **The Municipality** has the right to withhold any funds payable to **the Beneficiary** in terms of this agreement, until all reports referred to in clause 12 have been received.

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16. In the event that **the Beneficiary** does not comply with any or all of the conditions as set out in this agreement, **the Municipality** shall be entitled to immediately and without notice cancel this agreement and claim back all the funds allocated together with interest accrued, and to stop all future payment/s with regard to the project/programme of **the Beneficiary**, without detriment to any other remedy which may be available to it in law.
17. Each of the parties chooses its domicilium citandi et executandi for the purposes of the giving of any notice, the serving of any legal process and or any purposes arising from this Agreement at their respective addresses set forth hereunder:

The Beneficiary: _____

The Municipality: _____

Any notice to any party shall be addressed to it at its domicilium aforesaid and be sent either by pre-paid registered post or be delivered by hand. In the case of any notice:

- Sent by pre-paid registered post, it shall be deemed to have been received, unless the contrary is proved, on the seventh day after posting; and
- Delivered by hand, it shall be deemed to have been received, unless the contrary is proved, on the date of delivery, provided such date is a business day or otherwise on the next following business day.
- Any party shall be entitled by notice in writing to the other, to change its domicilium to any other address within the Republic of South Africa,

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provided that the change shall become effective only fourteen (14) working days after the service of the notice in question;

- Any notice addressed to the Municipality shall be required to be addressed to the Municipal Manager, for the attention of _____ to be deemed to have been effectively delivered or served.

18. This agreement constitutes the entire agreement between the parties regarding the subject matter hereof. No agreements, guarantees or representations, whether verbal or in writing, have been concluded, issued or made, upon which either party is relying in concluding this Agreement, save to the extent set out herein.
19. No variation of, or addition or agreed cancellation to this Agreement shall be of any force or effect unless it is reduced to writing and signed by or on behalf of the parties.
20. If any of the clauses of this agreement or Annexure thereto are found to be invalid or not binding on the parties, such finding will not affect the validity of this agreement and the parties agree to be bound by the other provisions of the agreement.

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SIGNED AT _____ ON THIS _____ DAY OF _____

AS WITNESSES:

1. _____

(Name in capital letters)

THE MUNICIPALITY
Duly represented by

in His/her capacity as

2. _____

(Name in capital letters)

SIGNED AT _____ ON THIS _____ DAY OF _____

AS WITNESSES:

1. _____
(Name in capital letters)

THE BENEFICIARY
Duly represented by

in His/her capacity as

2. _____

(Name in capital letters)

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As approved by Council at the Council meeting which was held on 2017.

Signed at GEORGE on theTh day of May 2017.

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Municipal Manager

DRAFT

17	2017/2018
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DRAFT:

APPROVED: