

KOUGA MUNICIPALITY

DONATIONS POLICY

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1. PREAMBLE

WHEREAS the Kouga Municipality regularly receives requests for donations from a variety of organisations, and

WHEREAS circumstances occur which may justify financial support to bodies or organisations outside of the grants-in-aid process provided in terms of the approved Grant-In-Aid Policy, and

WHEREAS the Kouga Municipal Council on an annual basis appropriate funding in dedicated budget votes, to be utilised for such purposes by the Executive Mayor and Speaker, and

WHEREAS it is desirable to provide rules and guidelines for the consideration and allocation of applications or requests for donations, and therefore the Kouga Municipality adopts the Policy as set out herein.

2. PURPOSE

The purpose of this Policy is to establish parameters for an annual allocation for donations by the Kouga Municipality.

3. LEGAL FRAMEWORK

- 3.1 All donations made by the Kouga Municipality, under this Policy must comply with the following:
 - 3.1.1 The Constitution of the Republic of South Africa
 - 3.1.2 The Local Government: Municipal Systems Act 32 of 2000(as amended)
 - 3.1.3 The Local Government: Municipal Finance Management Act 56 of 2003 (as amended)
 - 3.1.4 Any other applicable legislation and/or regulations that may govern the transfer of Municipal funds.

4. DEFINITIONS

- 4.1 For purposes of this Policy, the following words shall have the following meanings:
 - 4.1.1 donations – shall mean an amount, other than amounts granted to organisations in terms of the provisions of the approved Grants-In-Aid Policy,

as approved by Council, donated to an organization or body for the purposes of financial support, an event, a project, and activity, or special merit case, as provided for in Section 67(4) of the Local Government: Municipal Finance Management Act 56 of 2003, as amended. ¹

- 4.1.2 Office bearers – shall mean councilors elected by the Municipal Council to the positions of Executive Mayor and Speaker, as provided for in terms of Schedule 3 of the Local Government: Municipal Structures Act 117 of 1998, as amended.

5. BUDGET

- 5.1 The Municipality may appropriate funding in its annual budget for the purposes of donations and approved by Council. Special expenditure votes may be created for these purposes.
- 5.2 Expenditure shall be limited to available budget.

6. CONSIDERATIONS OF APPLICATIONS FOR DONATIONS

- 6.1 The office bearers of the Municipality may consider applications for donations received from organisations and bodies complying with the following guidelines:
- 6.1.1 the functions of the applying organization or body as well as the purpose of the donation must align with the strategic goals and objectives of the Municipality, and provided for in the approved Integrated Development Plan (IDP),
- 6.1.2 the organization or body operating as a legal entity according to their constitution must be based in the Kouga Municipal area or at least have a local office in the Kouga Municipal area, and
- 6.1.3 Non-profit organisations, educational organisations, libraries, museums, culture organisations, social clubs, community based organisations, special needs organisations, charitable organisations serving the poor, can be considered for donations.
- 6.2 The following are excluded for the Policy:
- 6.2.1 Individuals;
- 6.2.2 political parties or party political related activities or projects;
- 6.2.3 where any member of Council or official of the Municipality or close family member of such Councillor or official will benefit from such a donation; and

¹ Subsection 1(a) does not apply to an organization or body serving the poor or used by government as an agency to serve the poor, provided- (a) that the transfer does not exceed a prescribed limit, and (b) that the accounting officer –(i) takes all reasonable steps to ensure that the targeted beneficiaries receive the benefit of the transferred funds, and (ii) certifies to the Auditor -General that compliance by that organization or body with subsection1(a) is uneconomical or unreasonable.

- 6.2.4 organisations or activities/projects that infringe on the Bill of Rights or any other legislation of any sphere of government.

7. LIMITATIONS

- 7.1 An application for donation may be submitted by completion of the application form, as provided from time to time by the Municipality;
- 7.2 Donations to any organisations or bodies may not be approved more than once during a 24 month cycle.
- 7.3 The amount of any one donation approved by an office bearer may not exceed the amount of R 5000.00 save for special merit cases which must be duly motivated and recorded. if the mayor intends approving an amount in excess of the said maximum amount, the mayor must refer such application to the Council for approval.
- 7.4 The donation amount may not be deposited into a personal bank account.
- 7.5 The donations budget vote may not be supplemented by way of virements.

8. ADMINISTRATION

- 8.1 The offices of the Office bearers must keep record of all applications received, applications granted, the date on which it was granted, the amount allocated as well as the applications not approved.
- 8.2 A report reflecting the information stipulated in 8.1 above must be submitted quarterly to the Mayoral Committee.
- 8.3 All documentation required to process the donations must be approved by the Accounting Officer after indicating the granting of a request by the Office Bearer.

9. PRINCIPLES

- 9.1 This Policy is underlined by the principles of:
- 9.1.1 Transparency and openness;
- 9.1.2 Accountability; and
- 9.1.3 Fairness to all.

10. EVALUATION CRITERIA

The success of this Policy shall be measured by the number of ventures succeeding as a direct or indirect result of the donations granted under this Policy to an applicant.

KOUGA MUNICIPALITY – APPLICATION FOR DONATION FORM

NAME OF THE ORGANISATION (if applicable)	
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Contact details	
Name	
Title/Position	
Physical / Postal address	
Telephone Number	
Email address	
How is the organization registered (i.e NPO, etc.)	

<p>Organization registration number and copy of registration documents</p>	
<p>Does this organization serve the poor (Y/N)</p>	
<p>If yes, please provide a brief explanation</p>	
<p>What is the focus of the project/event/ activity, for which funding support is being applied for</p>	
<p>Event/activity/project date</p>	
<p>Explain who will benefit from the project/event</p>	

What will the proceeds be utilized for and what impact will it have on the larger community	
Has the organization received a donation from the Municipality before(Y/N)	
If yes, state the amount and date it was received.	
Does the organization have the ability to implement the project/event/activity successfully (Y/N)	
Bank account details	
Name of the bank account holder	

PLEASE NOTE: Approved donations are subject to the following conditions:

1. Donations must be exclusively utilized for the purposes defined herein;
2. The organization must ensure that the targeted beneficiaries receive the benefit of the transferred funds.

UNDERTAKING

I/ we confirm that:

1. The information provided in this application is true and correct and that the conditions applicable to the allocation of a donation is understood and will be complied with.
2. The organization implements effective, efficient and transparent financial management and internal control mechanisms to guard against fraud, theft and financial mismanagement, and has in the past complied with requirements for similar transfers of funds. (if applicable).

Signed at: _____ (place of signature)

Signed on: _____ (date of signature)

Applicant full name: _____

Applicant signature: _____

Comments by Office Bearer:

Approved	Not Approved	Approved amount: R
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Name of Office Bearer: _____

Designation: _____

Signature: _____

Sign at: _____

Signed on: _____

Comments by Accounting Officer:

I certify that the compliance with section 67 (1)(a) of the Local Government: Municipal Finance Management Act 56 of 2003, by the organization /body is uneconomical/unreasonable due to the limited amount donated.

Name of Accounting Officer: _____

Designation: _____

Signature: _____

Sign at: _____

Signed on: _____



**MUNICIPAL MANAGER
C DU PLESSIS**

31 July 2018

DATE