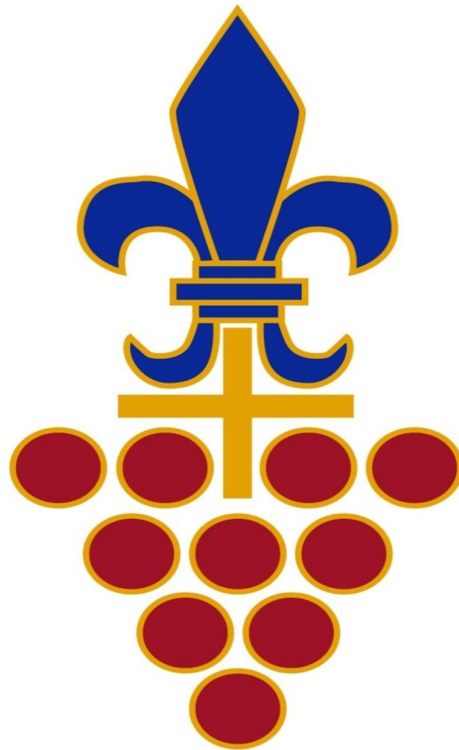


**APPENDIX 15**

**STELLENBOSCH MUNICIPALITY**



**GRANT-IN-AID POLICY**

**Approved May 2016**



# STELLENBOSCH MUNICIPALITY

## GRANTS-IN-AID POLICY

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## 1. PURPOSE, AIMS AND OBJECTIVES

- 1.1 This policy aims to provide a framework for grants-in-aid to non-governmental Organisations (NGOs), community-based organisations (CBOs) or non-profit Organisations (NPOs) and bodies that are used by government as an agency To serve the poor, marginalised or otherwise vulnerable as envisaged by Sections 12 and 67 of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003).
- 1.2 The purpose of the Grants-in-Aid Policy is **to complement the goals, Objectives, programmes and actions of the Stellenbosch Municipality's Integrated Development Programme (IDP)**, in order to create a sustainable, Credible and caring municipality by empowering and building communities and Enhancing growth and sharing through partnerships. Priority ward needs as Identified through Council's IDP MUST be the guiding factor in developing these partnerships.
- 1.3 Grants-in-Aid should not duplicate operations already provided for in Council or within the jurisdiction of Council.
- 1.4 Grants-in-Aid should improve the opportunity for Council to elicit the support of External organisations to deliver those services to communities which fall within the Council's area of responsibility in a way that allows the town to create an enabling environment for community development.

## 2. LEGAL FRAMEWORK

- 2.1 All transfers of funds in terms of this policy shall comply with the: Constitution of the Republic of South Africa, 1996 as amended (Constitution); Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) as amended (MSA); Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) (MFMA); and any other applicable legislation, regulations and policies that may govern the transfer of municipal funds and that are not in contradiction to the above.

## 3. RESTRICTIONS

- 3.1 The Policy applies to all transfers of grants made by the Municipality towards support of services for the poor, marginalized or otherwise vulnerable people.
- 3.2 The total expenditure on grants may not exceed 1% of the operational budget of the Municipality.
- 3.3 Transfers may be made to a maximum of R40 000-00 per organisation or body. Council may however exceed this amount, but only in a case where the proposal addresses specific ward priorities identified and specified in the IDP. **Consideration for grants larger than R 40 000, 00 requires audited financial statements.**
- 3.4 Grants-in-Aid transfers/payments shall be restricted to deserving organisation and bodies serving, especially those working with the poor/aged/youth/disabled/women, as per the eligible categories in 5.2, Provided that such organisations or bodies:
- (i) Operate as a separate legal entity and are recognised as such by South African legislation;

- (ii) are governed by their constitutions, have regular meetings with their membership and subscribe to sound accounting practices; and
- (iii) are located and serve communities and individuals who are most in need within the jurisdiction of the Municipality.

3.5 No Grants-in-Aid may be made to any political body, rate payers association or for religious purposes.

3.6 No grants will be allocated, under this policy, to organisations or bodies in cases where a member of Council or an official of Stellenbosch Municipality receives any financial or other gain.

3.7 Individuals may not apply for Grants-in-Aid and no payments may be made under this policy to individuals. Council may however set aside a specific amount from which the Municipal Manager, after consultation with the Executive Mayor, may, at his/her discretion, make donations to support individual, meritorious cases in order to assist and/or recognise individual excellence in whichever field. Bursaries to individuals are treated according to the Council's Bursary Policy.

3.8 Funds may only be transferred to an organisation or body if provision has been made for the expenditure on the budget or appropriations budget.

3.9 An organisation or body is only entitled to one allocation per financial year, but disbursements can be made more often.

#### **4. PUBLIC ADVERTISEMENT**

4.1 The Municipal Manager must, place a public advert in local newspapers distributed in the Stellenbosch Municipal area, calling for proposals. This advert must be placed in time to complete all relevant processes prior to the approval of the draft budget in order to invite public comment on the proposed donations prior to the approval of the final budget.

4.2 Advertisements should clearly specify the categories for which proposals are called, the closing date for applications, which they should be addressed to, and where and how to obtain the relevant documentation pertaining to such applications, including the prescribed forms. Only applications made on the prescribed forms may be considered. Advertisements should also clearly reflect the Municipality's right not to make an award, as well as the fact that awards will not be made to organisations that have received funds in the previous year but have not submitted a final report on the projects or previous expenditure. The advertisement should also clearly state that final approval is reliant on the approval of the budget and that no late submissions will be considered.

4.3 Funds may not be transferred to any organisation or body that has not submitted a proposal in response to a public advertisement and that have not signed an agreement with the municipality.

## **5. GENERAL GUIDELINES AND CATEGORIES**

### **5.1 General Guidelines**

Funding of applications will primarily be considered on an annual basis in response to the annual advertisement and after a compulsory workshop explaining the policy, application process and required documentation has been attended by the applicants. Council reserves the right not to fund an organisation two years in succession.

Funding will not be considered in the following instances:

- (i) Where a project or organisation is already receiving funds from Council in terms of Council's functions. Applicants are required to disclose other sources of funding;
- (ii) where in Council's opinion, an organisation receives sufficient funds from other sources to sustain its activities or the project applied for. For this purpose, organisations must submit financial statements and a budget for the ensuing financial year;
- (iii) where only an individual will benefit;
- (iv) for political or ratepayers organisations/groupings;
- (v) projects outside the boundaries of the Municipality;
- (vi) where expenses have already been incurred, and
- (vii) where applications were received after the due date for submissions

Funding of projects and to organisations shall exclude travel costs, subsistence, accommodation, food or entertainment expenses of any kind, staff salaries, capital costs, bursaries, payments in lieu of rates or other municipal charges except for where the transport is intended for beneficiaries/participants in the projects in question.

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

### **5.2 Categories Eligible for Grants-in-Aid**

The following categories currently apply. Cognisance should be taken that these categories are not exhaustive. Other than the general guidelines and conditions set out above, categories now indicated may require specific criteria applicable to its projects/programmes:

#### **(a) Health**

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

- (i) Public Health interventions inclusive of TB, STDs and HIV/Aids;
- (ii) preventable lifestyle diseases e.g. drug/alcohol abuse, tobacco related illnesses; and
- (iii) promotive and preventative services to infants, children and women.

#### **(b) Environment**

Purpose: To stimulate the development of sustainable leisure, aesthetic and environmental projects within the municipal area; to increase the awareness of the environment by promoting "Greening of the City"; to promote swimming skills and water safety.

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

- (i) Voluntary rescue organisations;
- (ii) lifesaving clubs and swimming organisations;
- (iii) environmental groups/organisations; and
- (iv) organisations promoting community involvement as a means of sustaining leisure, aesthetic or environmental projects.

- (v) projects which further the Council's aims and the strategies of SEMF (Strategic Environmental Management Framework) and including but not limited to the sustainable management of:
- riverine corridors;
  - biodiversity;
  - natural and built environment;
  - heritage resources;
  - quality urban spaces;
  - ecological conservation areas;
  - urban agricultural complexes;
  - bioregional planning;
  - nature area management;
  - Wetlands;
  - Local Agenda 21 projects;

**(c) Solid Waste (Cleansing)**

Purpose: Waste Reduction and awareness.

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

- (i) Waste reduction and awareness;
- (ii) educational programmes/projects addressing litter and waste handling; and
- (iii) waste minimisation solutions.

**(d) Social Development**

Purpose: The promotion of projects/programmes which stimulates the Stellenbosch Municipality's Integrated Development Plan (IDP) focusing especially on the needs of the most marginalised sectors in the greater Stellenbosch as identified in the ward priorities.

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

- (i) Poverty alleviation;
- (ii) urban renewal;
- (iii) capacity building of communities;
- (iv) youth development;
- (v) women and gender development;
- (vi) early childhood development;
- (vii) street people programmes;
- (viii) arts and culture programmes
- (ix) facilitation of public participation processes; arts and culture programmes
- (x) development of disabled persons, and
- (xi) development of elderly people

**(e) Sports and Recreation**

Purpose: To stimulate the development of sustainable Sport and Recreation infrastructure and programmes within the municipal area 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:

- (i) Local sport and recreation clubs;
- (ii) schools sports teams or athletes;

- (ii) local sport and recreation councils or associations;
- (iii) informal sport and recreation groups; and
- (iv) civic, community and non-governmental organisations.

**(f) Projects aligned to the strategic objectives of the municipality as described in the IDP**

Purpose: The promotion of projects/programmes which stimulates the Stellenbosch Municipality's Integrated Development Plan (IDP) focussing on the strategic objectives of the municipality and identified ward priorities.

Projects/programmes include the following strategic objectives but are not limited to:

- (i) Preferred Investment Destination
- (ii) Greenest municipality
- (iii) Dignified Living and
- (iv) Safest Valley
- (v) Good governance and Compliance

## **6. APPLICATION PROCEDURE**

Applications and proposal for Grants-in-Aid must be on the prescribed form stated in 4.3 above, a copy of which is attached hereto as **Annexure A**. Applications must be accompanied by a covering letter on the letterhead of the organisation or body, signed by the head of the organisation or body and must include the following information:

- (a) The applicant's legal name and a brief description of the applicant organisation's or body's business;
- (b) if the applicant claims to be a non-profit organisation, the registration number;
- (c) the date of establishment, details of the applicant's member founding documents, including constitution and certificates of incorporation;
- (d) a contact name, full street address, telephone number and e-mail address;
- (e) if funding is required for a specific project, a brief description of the project what it aims to achieve, as well as the detailed budget for and duration of the project;
- (f) a description on how the project aligns with the needs identified in the community through the IDP process and which ward priorities will be addressed through the project.
- (g) if the request is for general support, the organisation's or body's overall budget must be included;
- (h) references, independent of the applicant and its executive;
- (i) most recent audited financial statements (subject to MFMA, section 67(4)) statements; or at least statements signed off by the treasurer and chairperson of the organization in the case of small emerging organizations.;
- (j) a summary of past achievements;
- (k) a declaration by the head of the organization to the satisfaction of the Municipal Manager, that the organisation or body 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; and
- (l) notwithstanding the above requirements, the CFO after considering the merits of an application not complying with the minimum application criteria and after consulting the Municipal Manager, may for the purpose of this policy approve a deviation from the norm.

## **7. OBLIGATIONS OF THE APPLICANT**

- 7.1 The head of the organisation or body must acknowledge in writing to the Municipal Manager that the money was received in its bank account and that the amount is/will be utilised to the benefit and in accordance with the role of the organisation or body in society. The funds should be used as outlined in the application form.
- 7.2 The organisation or body shall regularly report, if and when required but at least once a year, to the Municipal Manager regarding the activities conducted, the ward within which activities are conducted, as well as the number of people benefiting from the activities.
- 7.3 If funding is required for a specific project, a brief description of the project and what it aims to achieve, as well as the detailed budget for and duration of the project.
- 7.4 The applicant must attend a compulsory workshop on the Grant in Aid policy and application procedure prior to submission of the application

## **8. RIGHTS OF THE MUNICIPALITY**

- 8.1 The Municipality shall be entitled, from time-to-time, to verify and inspect the existence and activities of the organisation or body. The municipality will therefore have the right to physically visit the premises where the organisation, or the funded project, is based; to peruse the budgets and any progress reports related to the project (in contract).
- 8.2 The Municipality shall manage contracts entered into with organisations or bodies by receiving reports and doing the necessary site visits and inspections to ensure that this policy and contract are being complied with.
- 8.3 The Municipality has the right not to give a grant-in-aid to any or all organisations applying for grants. Having been awarded a grant previously does not give an applicant the right to receive a grant again.
- 8.4 The Municipality will run proposed donations through a public participation process before final awards are made.

## **9. AGREEMENT**

Before any funds are transferred to an organisation an agreement (Annexure B) must be concluded by the Municipal Manager with the beneficiary to protect the interest of the Municipality.

## **10. DEVIATION**

This policy constitutes the entire framework for grants in aid and no deviation will be entertained.

## **11. COMMENCEMENT**

This Policy takes effect on the date on which it is adopted by the Council of Stellenbosch Municipality.