

Langeberg Municipality



**Grants in Aid Policy in terms of
Section 67 of the
Municipal Finance Management Act,
(Act 56 of 2003)**

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1. AIMS AND OBJECTIVES

- 1.1 This policy aims to provide a framework for grants-in-aid to non-governmental organisations (NGOs) community-based organizations (CBOs) or non-profit organizations (NPOs) and bodies that are used by government as an agency to serve the poor, marginalized or otherwise vulnerable as envisaged by Section 12 and 67 of the Municipal Finance Management Act, 2003 (Act 56 of 2003). This policy also replaces councils interim “Transfer of Municipal Funds to Organisations and Bodies outside of Government Policy.
- 1.2 The purpose of the Grants-in-Aid Policy is to complement the goals, objectives, programmes and actions of the Langeberg Municipality as identified in the IDP in order to create a sustainable, credible and caring town by empowering and building communities and enhancing growth and sharing through partnerships.
- 1.3 Grants-in-Aid should not duplicate operation already provided in council or within the jurisdiction of Council.
- 1.4 Grants-in-Aid should improve the opportunity for council to elicit support of external organisations to deliver those services to communities which within the Council’s area 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:
 - (a) Constitution of the Republic of South Africa, 1996 as amended (Constitution);
 - (b) Local Government: Municipal systems Act, 2000 (Act 32 of 2000) as amended (MSA);
 - (c) Local Government: municipal finance management act, 2003 (Act 56 of 2003) (MFMA); and
 - (d) Any other applicable legislation, regularities 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 except grants made by the Executive Mayor in terms of the Executive Mayors Special Fund Policy.
- 3.2 The total expenditure on grants may not exceed 1% of the operational budget of the municipality.
- 3.3 No transfer may be made which exceeds R20 000.00 per organization or body, expect for allocations to

organizations which performs a Municipal function on behalf of the municipality. In such a case, these grants will be determined annually when the municipality's budget is approved by Council.

3.4 Grants-in-aid transfers/payments shall be restricted to deserving organizations and bodies serving, especially those working with the **poor/aged/youth/disabled/women**, as per the eligible categories in provide that such organisations or bodies:

- (a) Operate as a separate legal entity and are recognized as such by South African legislation;
- (b) Are governed by their constitutions, have regular meetings with their membership and subscribe to sound accounting practices; and
- (c) Are allocated and serves 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, church or sectarian organisation or body.

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 Langeberg 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 recognize individual excellence in whichever field.

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, within three months after the approval of the annual budget, place a first public advert in the main local newspaper distributed in the Langeberg Municipal area, calling for proposals.

- 4.2 Advertisement should clearly specify the categories for which proposal are called, the closing date for applications, who they should be addressed to, and where and how to obtain the relevant documentation pertaining to such applications, including the prescribed forms.
- 4.3 Only applications made on the prescribed forms may be considered.
- 4.4 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 organizations that have received funds in the previous year but have not submitted a final audited report on the projects or previous expenditure.
- 4.5 Funds may not be transferred to any organisation or body that has not submitted a proposal in response to a public advertisement.

5. GENERAL GUIDELINES AND CATEGORIES

General Guidelines

- (a) Funding of applications will primarily be considered on an annual basis in response to the annual advertisement.
- (b) Council reserves the right not to fund an organisation two years in succession.
- (c) 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, organizations 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; and

- (vi) Where expenses have already been incurred.
- (d) Funding of projects and to organisation 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.
- (e) Notwithstanding any provision of this Policy, the Municipal Manager and Executive Mayor can decide on funding.
- (f) Subsequent applications from applicants to cover overspending on projects will not be considered.

5.1 Categories Eligible for Grants-in-Aid

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

(a) 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) Recycling and Waste minimization solutions.

(b) Social Development

Purpose: The promotion of projects/programmes which stimulates the Langeberg Municipality's Integrated Development Plan (IDP) focusing especially on the needs of the most marginalized sectors in the greater Langeberg.

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

- (i) Poverty alleviation;
- (ii) Capacity building of communities;
- (iii) Women and gender development;
- (iv) Early childhood development;
- (v) Street people programmes;
- (vi) Facilitation of public participation process; and
- (vii) Arts and culture programmes.

(c) 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.

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

- (i) Local youth sport and recreation clubs and youth recreation clubs;
- (ii) youth sports teams or athletes;
- (iii) local sport and recreation councils or associations;
- (iv) informal youth sport and recreation groups; and
- (v) Civic, community and non-governmental organizations.

(d) Environment

Purpose: To stimulate the development of sustainable environmental projects within the municipal area;

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

- (i) Voluntary rescue organisations;
- (ii) organisations promoting community involvement in environmental projects.
- (iii) projects which further the Council's aims and the strategies of IMEP (Integrated Municipal Environmental Policy) 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;
 - Animal Welfare organisations.

(e) Festivals

- (i) The Municipality shall not make any direct financial contribution for festivals.
- (ii) The Municipality shall only, assist with the rendering of services free of charge.
- (iii) Services offered free of charge are also limited to the monetary limit of this policy.
- (iv) Interested groups who wish to apply for assistance for festivals shall also follow the prescribed procedural and substantive rules of this policy.

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 letter head 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 brief description of the applicant organisation's 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 members, founding documents, including constitution and certificate 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 and what it aims to achieve, as well as the detailed budget for and duration of the project;
- (f) If the request is for a general support, the organisation's or body's overall budget must be included;
- (g) reference, independent of the applicant and its executive;
- (h) most recent audited financial statements;
- (i) a summary of past achievements; and
- (j) a declaration by the head of the applicant to the satisfaction of the Municipal Manager, that the organisation or body implements effective, efficient and transparent financial management and internal control mechanism to guard against fraud, theft and financial mismanagement and has in the past complied with requirements for similar transfers of funds.

7. OBLIGATIONS OF THE APPLICAN

- 7.1 The head of the organisation or body must acknowledge in writing to the Municipal Manger, that the money was received in its bank account and that the amount is/will be utilized 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 forms.
- 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 project.

- 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.

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 projects (in contract).
- 8.2 The municipality shall manage contracts entered into with organizations 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 call organisations applying for grants. Having been awarded a grant previously does not give an applicant the right to receive a grant again.

9. AGREEMENT

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

10. ADJUDICATION COMMITTEE

- 10.1 The adjudication Committee will consist of, the Municipal Manager, the Director Strategic Programmes and the Chief Financial Officer of the Municipality, as well as any other official the Municipal Manager may wish to include.
- 10.2 The adjudication Committee will evaluate all proposal received.
- 10.3 The adjudication Committee will have the power to make final awards.
- 10.4 The adjudication Committee must submit a report to the Council of the Municipality, containing

particulars of each final award made, including:

(a) the amount of each award; and

(b) the name of the organisation or body to whom the award was made.

11. DEVIATION

Notwithstanding the provisions of this policy, the Municipal Manager, after consulting with the Executive Mayor, may authorize any deviation from this Policy under justifiable circumstances.

12. COMMENCEMENT

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