



# **TRANSFER AND SUBSIDY POLICY (GRANTS-IN-AID)**

For implementation as from 1 July 2020



## **PREAMBLE**

The power of the municipality to make transfers and subsidies (grants-in-aid) is regulated by section 156 of the Constitution as read with section 8 of the MSA and with section 67 of the MFMA. These provisions limit the power to make transfers and subsidies to circumstances where it is reasonable and necessary for or incidental to the functions and exercise by the municipality of its powers.

The powers and functions of municipalities are set out in section 156 of the Constitution as read with parts B of Schedules 4 and 5 to the Constitution; annexed as Annexure A.

The objects of local government are regulated by section 152 of the Constitution and a municipality must strive, within its financial and administrative capacity, to achieve those objects.

Any transfer or subsidy made that does not conform to the abovementioned requirements is irregular expenditure in terms of the MFMA and could also be considered in some circumstance as unauthorised. These funds might therefore have to be recovered from the person liable for the expenditure in terms of section 32 of the MFMA.

Section 16(2) of the MFMA provides that a Mayor of a municipality must table the annual budget at a council meeting at least 90 days before the start of the budget year. Section 17(3)(i)(j) of same stipulates that when an annual budget is tabled in terms of section 16(2), it must be accompanied by the particulars of any proposed allocations or grants to any organisation or body referred to in section 67. Before transferring funds in terms of the Transfer and Subsidy Policy (grant-in-aid), the provisions of section 67 of the MFMA must be complied with.

Provision must be made separately for every intended individual transfer or subsidy and as such be included in the original budget and classified in accordance with mSCOA requirements. No virements to increase or decrease adjustment of the transfers and subsidies (grants-in-aid) budget is allowed through virements or Adjustments Budget.

## **LEGAL FRAMEWORKS AND POLICIES**

All transfers of funds in terms of this policy shall comply with the following legislation and amendments from time to time:

- (a) Constitution of the Republic of South Africa, 1996 as amended (Constitution);
- (b) Local Government: Municipal Systems Act, Act 32 of 2000 as amended (MSA);
- (c) Local Government: Municipal Finance Management Act 56 of 2003 (MFMA);
- (d) The Municipal Regulations on Standards Chart of Accounts (mSCOA) as published in the government gazette no 237577 on 22 April 2014; and
- (e) Any other applicable legislation, regulations and policies that may govern the transfer of municipal funds and that are not in contradiction to the above.

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## 1. DEFINITIONS

**“beneficiary”** means an organisation to which the Council has allocated a grant-in-aid.

**“grant-in-aid”** means the allocation/contribution of municipal funds to an organisation or body outside any sphere of government, which does not constitute a commercial or business transaction.

**“indigent subsidy”** means a subsidy to indigent households to ensure the receiving of basic services of which the funding is restricted to the Equitable Share receive from National Government.

**“own revenue”** means total revenue less government grants and subsidies received and assets donated to the municipality as indicated in the annual financial statements submitted for audit on 31 August.

**“organisation”** means an organisation as contemplated in Section 67 of the MFMA, which is either registered in terms of Section 13 of the Non-Profit Organisations Act, 1997 or a company incorporated as a non-profit company in terms of the Companies Act, 2008, or an organ of state or properly constituted community, a welfare or voluntary organisation which have a constitution, provable active membership and an annual general meeting held within the previous 12 months.

**“prescribed limit”** means the minimum amount or threshold of the transfer or subsidy (grant-in-aid) allocation applied for by the organisation or paid to the organisation that would make it be economical or reasonable for the organisation to provide the municipality with audited financial statements. For the purposes of this policy it will be R 50 000.

## 2. PURPOSE

- 2.1 Within the legislative framework, the purpose of this Policy is to complement the goals, objectives, programmes and actions of the Saldanha Bay Municipality in order to create a sustainable, credible and caring municipality by empowering and building communities and enhancing growth and sharing through partnerships.

### **3. OBJECTIVES**

- 3.1 Transfers and subsidies (grants-in-aid) should improve the opportunity for the municipality to elicit the support of external organisations to deliver those services to communities which fall within the municipality's area of responsibility in a way that allows the municipality to create an enabling environment for community development and partnerships.
- 3.2 A key objective is to provide the opportunity of creating sustainable partnerships with outside agencies to achieve the objectives of the municipality's Business Plan as outlined in the Integrated Development Plan.
- 3.3 It should also provide the opportunity for developing methods of joint funding strategies with outside agencies such as matching funding or sponsorship partnerships to meet the objectives of developmental local government.
- 3.4 Transfers and Subsidies (grants-in-aid) should not duplicate operations already provided by Council in the jurisdiction of the municipality, but rather compliment such operations where possible.

### **4. CATEGORIES ELIGIBLE FOR TRANSFERS AND SUBSIDIES (GRANTS-IN-AID)**

- 4.1 When considering grant applications, preference will be given to the following organisations that utilise the transfer or subsidy from the municipality to perform the functions included in Annexure A:
  - (a) A public benefit organisation ("PBO") which is a non-profit company ("NPC") incorporated in terms of Schedule 1 of the Companies Act, 71 of 2008 or a trust or an association of persons that has been incorporated, formed or established in the Republic as contemplated in the definition of public benefit organisations in sections 30(1) and 30(3) of the Income Tax Act, 58 of 1962 as amended;
  - (b) A non-profit organisation ("NPO") registered as such in terms of section 13 of the Non-Profit Organisations Act, 71 of 1997;
  - (c) An Early Childhood Development site or child care and development facility such as a crèche, day care or educare centre with the principal objective being early childhood development for children aged 0 – 6 years and that is duly

registered with the Department of Social Services of the Western Cape Government as a place of care in terms of the Children's Amendment Act, 41 of 2007;

- (d) An old age home registered with the Department of Social Services: Western Cape Government in terms of the Older Persons Act, 13 of 2006 or a senior citizens group, association or recreational club registered as a PBO or a NPO and provided the grants-in-aid is to be used for the promotion of sport and utilisation of local sports facilities by the aged;
- (e) Any public school, as defined in the South African Schools Act, 84 of 1996, or independent school registered in terms of section 46 of that Act, where grants-in-aid may only be allocated and used to provide and/or maintain their own sports facilities;
- (f) Any sports body, club, association or group registered as a PBO or NPO, i.e. not an undertaking or enterprise operating as a business for profit, which actively promotes the utilisation and provision of sport facilities;
- (g) For the promotion of local tourism;
- (h) For the facilities of accommodation, care and burial of animals.

## **5. RESTRICTIONS ON GRANTS-IN-AID ALLOCATED IN TERMS OF THIS POLICY**

5.1 The following, being either, projects, activities, programmes or types of expenditure, will not qualify for grants-in-aid funding in terms of this Policy:

- (a) Bursaries of any kind;
- (b) Disaster management and relief;
- (c) Donation of assets, moveable or immovable;
- (d) Public functions, conferences and seminars of any kind;
- (e) If not aligned to the priorities, strategies and objectives as set out in the Municipality's IDP;

- (f) Retrospective funding of expenditure that has already been incurred or to fund any over expenditure that may be incurred on an approved grants-in-aid project;
- (g) Where only an individual will benefit;
- (h) Which are to be carried out beyond the municipality's area of jurisdiction unless a clear and compelling benefit to the municipality and its residents can be demonstrated;
- (i) For the benefit of any particular political party;
- (j) Subsidisation or funding of municipal rates, tariffs, service or user charges;
- (k) Any commercial or other business transactions entered into between the municipality and outside contractors or suppliers, in terms of the municipality's SCM Policy for the supply of goods or services;
- (l) Any undertaking or enterprise operating as a business for profit or gain except in -the case of an Early Childhood Development site or child care facility referred to in paragraph 5.3 above or economic and social developmental projects and initiatives; and
- (m) Grants-in-aid to civic or ratepayers associations.
- (n) Where a member of Council or an official of the Saldanha Bay Municipality receives any direct financial or other gain from this organisation.

## **6. OTHER POLICIES OF COUNCIL**

6.1 Council may adopt other policies from time-to-time which is not covered by this policy. This may include policies for:

- (a) Bursaries;
- (b) Disaster relief;
- (c) Housing development subsidies;
- (d) Disposal of unserviceable, obsolete or redundant assets;
- (e) Conditional grants received by the municipality, which are in turn awarded to outside organisations to perform this function; and
- (f) Rewards and awards to recognise excellence of individuals in whichever field.

6.2 The requirements of section 67 of the MFMA and mSCOA must still be applied for these other policies.

## **7. TRANSFERS AND SUBSIDIES (GRANTS-IN-AID) RECEIVED FROM BUSINESSES OR BODIES OUTSIDE ANY SPHERE OF GOVERNMENT**

7.1 The municipality may receive transfers and subsidies (grants-in-aid) from businesses or bodies outside any sphere of government. These transfers and subsidies are regarded as conditional grants and may only be spent in terms of the conditions stipulated in writing by the businesses or bodies outside any sphere of government in the agreement attached as Annexure D.

## **8. PRESCRIBED LIMIT**

8.1 An organisation or body serving the poor or used by government as an agency to serve the poor which applied for and/or received an allocation below the prescribed limit and defined in the definitions does not have to provide the municipality with audited financial statements.

## **9. APPLICATION PROCEDURE**

9.1 Formal applications of grants-in-aid may be submitted by qualifying organisation within the municipal area.

9.2 The application period shall close by 31 of October annually to ensure that it falls within the budget planning process for the following financial year. Any grant applications received after 31 October will be carried over to the year thereafter.

9.3 All applicants must complete the application form as per Annexure C in full as incomplete application forms and applications will not be considered. Only applications made on the prescribed form (see Annexure C) will be considered.

9.4 Applications must be accompanied by a cover 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 institution'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 certificates of incorporation;

- (d) A contact name, full street address, telephone number and e-mail address of the applicant;
- (e) Details of sources of income and funding;
- (f) Banking details;
- (g) 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;
- (h) A copy of the latest audited annual financial statements of the organisation where the grants-in-aid amount applied for exceeds the prescribed limit. Where the amount of the grants-in-aid being applied for is less than the prescribed limit, the organisation is required to attach a copy of its Income and Expenditure Statement for its previous Financial year as tabled at its annual general meeting and signed by the chairperson or other relevant official or member of the organisation together with a copy of the minutes of the relevant annual general meeting;
- (i) A summary of past achievements; and
- (j) A declaration by the head of the organisation or body 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.

## **10. APPLICATION REQUIREMENTS**

10.1 The following requirements shall apply upon application:

- (a) The municipality reserves the right not to fund an organisation or body two years in succession or in any future years;
- (b) Applications for transfers and subsidies (grants-in-aid) should be aligned with the powers and functions allocated to municipalities by the Constitution of South Africa (Section 156) (Annexure A), section 8 of the Systems Act, as interpreted by the Municipality's IDP and the relevant sections of the MFMA and any amendments thereto;
- (c) Applicants/organisations and bodies may not be in arrears with their municipal accounts for more than three months;
- (d) To ensure the sustainability of project(s) undertaken by the organisation or body, consideration should be given to granting the full funding requirements of deserving projects / programmes, rather than pro-rata allocations, unless there is also grant counter-funding from other sources; and

- (e) Grants-in-aid transfers/payments shall be restricted to deserving organisations provided that such organisations or bodies:
  - (i) operate as a separate legal entity and are recognized as such by South African legislation;
  - (ii) are governed by their constitutions, have regular meetings with their members 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.

## **11. OBLIGATIONS OF THE APPLICANT**

- 11.1 The head of the organisation or body must acknowledge in writing within 10 days 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.
- 11.2 The organisation or body shall submit monthly reports reflecting expenditure incurred against the transfer or subsidy (grant-in-aid) allocation.
- 11.3 The organisation or body shall submit a report within the time frames set in the Memorandum of Agreement, 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.
- 11.4 The organisation or body shall submit audited financial statements for its financial year to the accounting officer within 6 months after the end of its financial year in respect of any financial year.
- 11.5 Council reserves the right to call for audited financial statements of the organisation or body irrespective of the amount of transfer or subsidy (Grant-in-Aid) allocation.
- 11.6 Where it is found that grants are being used in breach of the agreement, the provisions contained in the agreement must be invoked, the matter must be reported to the Accounting Officer and steps must immediately be taken to recover the funds misappropriated.
- 11.7 Successful applicants are required to acknowledge the municipality as the provider of funding in their funding record as well as any public record of grants/donations received.

## **12. RIGHTS OF THE MUNICIPALITY**

- 12.1 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 for which the grant was made.
- 12.2 The municipality shall manage and/or monitor 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.
- 12.3 The municipality reserves the right not to make an award. Having been awarded a grant previously does not give an applicant the right to receive a grant again.
- 12.4 The prioritisation of applications as well as the amount of the transfer or subsidy may vary from year to year.

### **13. AGREEMENT**

13.1 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. This agreement is attached as Annexure B.

### **14. GRANT-IN-AID ADJUDICATION COMMITTEE**

14.1 The Adjudication Committee will consist of the:

- (a) Mayor or another Councillor as designated by the Mayor;
- (b) Municipal Manager or a delegated official from the Office of the Municipal Manager;
- (c) Chief Financial Officer;
- (d) Director: Economic Development and Strategic Services; and
- (e) Any other official the Committee may wish to include.

14.2 The Adjudication Committee will evaluate all proposals received.

14.3 The Adjudication Committee will have the power to make final awards.

14.4 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.

14.5 The Municipal Manager shall send a letter to the Auditor-General of South Africa by 31 July certifying that it was unreasonable and uneconomical for organisations which received an allocation below the prescribed limit during the previous financial year to have their financial statements audited. The letter shall also certify that the organisations that received an allocation below the prescribed limit serve the poor or are used by government as an agency to serve the poor.

## **15. MONITORY VALUE OF THE TOTAL TRANSFERS AND SUBSIDIES (GRANTS-IN-AID)**

15.1 The total value of the transfers and subsidies (grants-in-aid) for any financial year shall not exceed 0.5% of the total own revenue for the preceding financial year. A recommendation in respect of this amount will be made by the CFO to the Municipal Manager and/ or the budget steering committee.

## **16. MSCOA REQUIREMENTS**

16.1 All transfers and subsidies to the organisation must be budgeted and accounted for in line with mSCOA requirements.

## **17. ADMINISTRATION OF POLICY**

17.1 This policy will be administrated by the Director Economic Development and Strategic Services.

## **18. COMMENCEMENT AND SHORT TITLE**

The Policy is called the Transfer and Subsidy Policy (**grant-in-aid**) and takes effect on the date on which it is adopted by the Council of Saldanha Bay Municipality.

## **Annexure A: Section 156 Powers and Functions of municipalities**

A municipality has executive authority in respect of, and has the right to administer-

- the local government matters listed in Part B of Schedule 4 and Part B of Schedule 5; and
- any other matter assigned to it by national or provincial legislation.

A municipality may make and administer by-laws for the effective administration of the matters which it has the right to administer.

A municipality has the right to exercise any power concerning a matter reasonably necessary for, or incidental to, the effective performance of its functions.”

### **SCHEDULE 4 PART B**

The following local government matters to the extent set out in section 155(6)(a) and (7):

- Air pollution
- Building regulations
- Child care facilities
- Electricity and gas reticulation
- Fire-fighting services
- Local tourism
- Municipal airports
- Municipal planning
- Municipal health services
- Municipal public transport
- Trading regulations
- Storm water management systems in built-up areas
- Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law
- Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto
- Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems

## **SCHEDULE 5 - PART B**

The following local government matters to the extent set out for provinces in section 155(6)(a) and (7):

- Beaches and amusement facilities
- Billboards and the display of advertisements in public places
- Cemeteries, funeral parlours and crematoria
- Cleansing
- Control of public nuisances
- Control of undertakings that sell liquor to the public
- Facilities for the accommodation, care and burial of animals
- Fencing and fences
- Licensing of dogs
- Licensing and control of undertakings that sell food to the public
- Local amenities
- Local sport facilities
- Markets
- Municipal abattoirs
- Municipal parks and recreation
- Municipal roads
- Noise pollution
- Pounds
- Public places
- Refuse removal, refuse dumps and solid waste disposal
- Street trading
- Street lighting
- Traffic and parking

## Annexure B: Memorandum of Agreement

Entered into by and between

**SALDANHA BAY MUNICIPALITY**

herein represented by

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in his / her capacity as

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he/she being duly authorized thereto  
(hereinafter referred to as “the Municipality”)

and

---

herein represented by

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in his/her capacity as

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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 or business plan and/or service delivery\* agreement attached as Annexure \_\_\_, which project/programme description, business plan or service delivery agreement forms part of this agreement.

\* service delivery to the community, not to the Municipality

**NOW THEREFORE THE PARTIES AGREE AS FOLLOWS:**

The Municipality shall effect payment of the sum of R \_\_\_\_\_ ( \_\_\_\_\_ )

to the Beneficiary in a lump sum and /or by instalments as follows:

\_\_\_\_\_

\_\_\_\_\_

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

1. The Beneficiary undertakes to provide the Municipality with the details of a bank account opened 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.
2. The Beneficiary undertakes to acknowledge in writing within 10 days 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 Beneficiary in society as described in the application.
3. The Beneficiary undertakes acknowledge the Municipality as the provider of funding in their funding record as well as any public record of grants/donations received.
4. The Beneficiary herewith confirms that effective, efficient and transparent financial management and internal control systems are in place.
5. The Beneficiary will have provided the Municipality with a copy of its most recent audited financial statements or audit certificate, prior to the signing of this agreement, as part of the Municipality's assessment process.
6. The Beneficiary undertakes to prepare financial statements in respect of the financial years for which this agreement is or remains in force, and undertakes to have these financial statements audited.

7. The beneficiary is not required to have its financial statements audited where it is serving the poor or used by government as an agency to serve the poor and the allocation applied for or paid to the beneficiary is below the prescribed limit of R50 000 as compliance with this requirement would be unreasonable and uneconomical.
8. The Municipality reserves the right to call for audited financial statements of beneficiary irrespective of the amount of transfers or subsidy (Grant-in-Aid) allocation.
9. The Beneficiary herewith confirms and acknowledges that the funds may only be utilized for the purpose for which it was approved.
10. The Beneficiary must ensure that the funds earn interest at competitive rates until they can be utilized for the purpose for which it was approved.
11. Interest earned must be credited to the account opened in terms of clause 2 and may only be utilized for the benefit of the approved project.
12. The parties agree that in the event of the project not commencing 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.
13. The Parties agree that, on completion of the project/programme, any unutilised funds and interest earned thereon will be paid back to the Municipality within one month or on a date as determined by the Municipality.
14. The Beneficiary undertakes to retain all expenditure vouchers, including cashed cheques, indicating the project number, etc. for audit purposes.
15. The Beneficiary undertakes to submit to the Director: Economic Development and Strategic Services monthly reports reflecting expenditure incurred against the funds deposited. A monthly expenditure report template is attached hereto as Addendum A.
16. 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 (Director: Economic Development and Strategic Services) 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.
17. The Beneficiary, on completion of the project if sooner or at least annually, 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 organisation 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 utilisation of the funds.
18. 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.

19. The Municipality has the right to perform site visits and inspections of the Beneficiary premises and/or the funded project to ensure that this contract is being complied with.
20. In the event of the Beneficiary not complying with any or all of the conditions as set out in this agreement, or conditions as set out in any project/programme description, business plan or service delivery agreement attached to this agreement as an annexure, 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.
21. 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 for any purposes arising from its Agreement at their respective addresses set forth hereunder:

The Beneficiary:

The Municipality:

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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 third business 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, provided that the change shall become effective only ten (10) business 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 Director: Economic Development and Strategic Services to be deemed to have been effectively delivered or served.

22. This agreement constitutes the entire agreement between the parties regarding the subject matter hereof. No agreements, guarantees of 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.

23. 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.

24. 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.

Signed at \_\_\_\_\_ on this \_\_\_\_ day of \_\_\_\_\_ 20\_\_.

**AS WITNESSES:**

\_\_\_\_\_  
For **THE BENEFICIARY**

1. \_\_\_\_\_  
Signature

\_\_\_\_\_  
Name in capital letters

2. \_\_\_\_\_  
Signature

\_\_\_\_\_  
Name in capital letters

Signed at \_\_\_\_\_ on this \_\_\_\_ day of \_\_\_\_\_ 20\_\_.

**AS WITNESSES:**

\_\_\_\_\_  
For **THE MUNICIPALITY**

1. \_\_\_\_\_  
Signature

\_\_\_\_\_  
Name in capital letters

2. \_\_\_\_\_  
Signature

\_\_\_\_\_  
Name in capital letters

## Annexure C: Application for a transfer or subsidy (grant-in-aid)

<b>APPLICATION FOR A TRANSFER OR SUBSIDY (GRANT-IN-AID)</b> <b>PLEASE NOTE: THIS FORM MUST BE COMPLETED CORRECTLY AND IN FULL</b>
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<b>A</b>	Legal Name of the Organisation	
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<b>B</b>	<b>1</b>	Date and year in which the organisation was founded:		
		<i>(Give a brief description of business or activities of the organisation.)</i>		
	<b>2</b>	Does the organization serve the poor? ( indicate in box to the left with 'x')	YES	NO
		<i>(Motivation that the organization is serving the poor)</i>		

<b>C</b>	<b>Contact Details:</b>			
	Name and Surname:		Title/Position:	
	Physical Address:	Postal Address:		
	Postal Code:		Postal Code:	
	Tel. No:		Fax. No:	
		E-mail:		

<b>D</b>	In which ward is the organisation active?		
	Indicate how the organization is registerd. (NPO, Section 21 etc.)?		
	Please provide the Organisations registration number:		
	Focus of the project:		
	Budget for projects:		
	Duration of project:		
	Has the organisation received a grant-in-aid from the Municipality before?	YES	NO
	If yes, state the amount and date it was received.		

<b>E</b>	<b>Indicate the category of application</b>		
	<b>SPORT FACILITIES</b>	<b>CARE OF ANIMALS</b>	<b>CHILD CARE FACILITIES</b>
	<b>PUBLIC SCHOOLS</b>	<b>LOCAL TOURISM</b>	<b>OTHER</b>
	If "Other", please specify:		
	<b>Note:</b> For more detail see the section on Application Guidelines and categories in the attached Transfer and Subsidy Policy (Grants-in-Aid).		
<p><b>Indicate specific type of project/program, as per the Transfer and Subsidy Policy (Grant-in-Aid) (Refer to Paragraph 4 of the Policy):</b>  <b>e.g. (iii) Child care facility.</b></p>			
<p><b>Declaration/ self-assessment:</b></p> <p>I/ We _____ hereby declare that the grant-in-aid for which I/ we have stated in this application, to the best of my/ our knowledge and belief does not fall within the scope of the grant-in-aid restrictions as stated in paragraph 6 of the policy.</p>			

**APPLICATION FOR A TRANSFER OR SUBSIDY (GRANT-IN-AID) (Continued)**

<b>F</b>	<b>THE FOLLOWING MUST ACCOMPANY THIS APPLICATION:</b>	<b>Tick 'x'</b>
	The applicant's legal name and a brief description of the applicant organisation's or institution's business;	
	If the applicant claims to be a non-profit organisation, the registration number;	
	The date of establishment, details of the applicant's members, founding documents, including constitution and certificates of incorporation;	
	A contact name, full street address, telephone number and e-mail address of the applicant;	
	Details of sources of income and funding;	
	Banking details;	
	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;	
A copy of the latest audited annual financial statements of the organisation where the grants-in-aid amount applied for exceeds the prescribed limit (see definition). Where the amount of the grants-in-aid being applied for is less than the prescribed limit, the organisation is required to attach a copy of its Income and Expenditure Statement for its previous Financial year as tabled at its annual general meeting and signed by the chairperson or other relevant official or member of the organisation together with a copy of the minutes of the relevant annual general meeting;		

	<p>A summary of past achievements;</p> <p>A declaration by the head of the organisation or body 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.</p> <p>A copy of the Organisation's Constitution / Articles / Memorandum.</p> <p>A copy of a project/programme description and/or a business plan for the ensuing financial year.</p> <p>A detailed project proposal that includes:  - Project Description (what is the projects focus and purpose)  - Location / Area ( where the project will be carried out)  - Beneficiaries / target group (who will directly benefit from this project)  - Motivation (Briefly outline how the proposed project will benefit the target group and assist the municipality in exercising any of its legislative obligations and in meeting it goals and objectives.  - Impact (what do you hope to achieve with the project and how will it be measured)</p> <p>Commencement and completion dates of the project.</p> <p>Information on the total cost of the project budget, including a breakdown of costs and an outline of any contribution by fundraising and/or own contribution.</p> <p>A list of all other anticipated income sources funding together with the assessments for the proposed project.</p> <p>Details of the applicant and its executive.</p>	
<p><b>G</b></p>	<p><b>THE FOLLOWING SHALL APPLY:</b></p> <ol style="list-style-type: none"> <li>1. The allocation of the grant-in-aid will only be considered if this document has been fully completed and signed and accompanied by the required and supporting documentation referred to therein.</li> <li>2. An applicant who has been registered as a "non-profit" organisation in terms of Section 13 of the Non-Profit Organisation Act, 1997 must submit the necessary proof thereof together with its application.</li> <li>3. Applicants must clearly indicate / specify and motivate what the funds will be utilised for in their submission.</li> <li>4. The grant-in-aid must be exclusively utilised for the purpose defined and the successful applicant must submit the necessary undertaking to this effect.</li> <li>5. Applicants must satisfy the Municipality of their ability to execute the project successfully in their submission.</li> <li>6. Organisations who have already received financial or other assistance from the Municipality during the previous financial year must specify same in their application.</li> <li>7. All restrictions stipulated in the policy shall apply.</li> <li>8. <b>Successful applicants</b> must at all times comply with the provisions of Section 67 (1) of the Local Government Municipal Finance Management Act No. 56 of 2003 which <i>inter alia</i> stipulated that the organisation or body has to:- <ul style="list-style-type: none"> <li>• Enter into and comply with an agreement with the Municipality and with all reporting, financial management and auditing requirements as may be contained in such agreement: (A copy of Memorandum of Agreement is attached)</li> <li>• Report on the actual expenditure of the amount allocated to it.</li> </ul> </li> </ol>	

**APPLICATION FOR A TRANSFER OR SUBSIDY (GRANT-IN-AID) (Continued)**

**UNDERTAKING:**

I/We hereby verify that the information provided in this application is true and correct and that the conditions applicable to the allocation of a grant-in-aid as set out above have been read, understood and will be complied with.  
 I/We also declare that the organisation 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.

Thus done and signed at \_\_\_\_\_ on this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_ .

\_\_\_\_\_  
 Chairperson / Authorised Representative

\_\_\_\_\_  
 Date

\_\_\_\_\_  
 (Name in block letters)

\_\_\_\_\_  
 Secretary / Duly Authorised Signatory

\_\_\_\_\_  
 Date

\_\_\_\_\_  
 (Name in block letters)

**PLEASE NOTE:**

**1 Completed application forms must be:**

**Or :**

(a) Posted to:

The Municipal Manager  
 Saldanha Bay Municipality  
 Private Bag X12  
 VREDENBURG  
 7380

(b) Delivered by hand to the nearest municipal office in an envelope marked for:

The Municipal Manager  
 Saldanha Bay Municipality  
 Private Bag X12  
 VREDENBURG  
 7380

**2 Closing date and time for submission of applications:**

DATE:

TIME:

**4 No late applications will be considered.**

**ANNEXURE D: Memorandum of Agreement for transfers and subsidies (Grants-in-Aid) received from businesses or bodies outside any sphere of government**

Entered into by and between

---

herein represented by

---

in his/her capacity as

---

he/she being duly authorized thereto  
(hereinafter referred to as “the Donor”)

and

**SALDANHA BAY MUNICIPALITY**

herein represented by

---

in his / her capacity as

---

he/she being duly authorized thereto  
(hereinafter referred to as “the Municipality”)

**WHEREAS** the donor has agreed to allocate the sum of R\_\_\_\_\_ , ( \_\_\_\_\_  
\_\_\_\_\_ ) to the Municipality and Municipality has agreed  
to accept the money, subject to the conditions stipulated hereinafter;

**NOW THEREFORE THE PARTIES AGREE AS FOLLOWS:**

The Municipality shall only use the funds allocated to it for the following purpose:

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The Municipality herewith confirms and acknowledges that the funds may only be utilized for the purpose for which they were provided.

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 for any purposes arising from its Agreement at their respective addresses set forth hereunder:

The Beneficiary:

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The Municipality:

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Any notice addressed to the Municipality shall be required to be addressed to the Municipal Manager, for the attention of the Director: Economic and Strategic Services to be deemed to have been effectively delivered or served.

Signed at \_\_\_\_\_ on this \_\_\_\_ day of \_\_\_\_\_ 20\_\_.

\_\_\_\_\_  
For **THE DONOR**

**AS WITNESSES:**

1. \_\_\_\_\_  
Signature

\_\_\_\_\_  
Name in capital letters

2. \_\_\_\_\_  
Signature

\_\_\_\_\_  
Name in capital letters

Signed at \_\_\_\_\_ on this \_\_\_\_ day of \_\_\_\_\_ 20\_\_.

\_\_\_\_\_  
For **THE MUNICIPALITY**

**AS WITNESSES:**

1. \_\_\_\_\_  
Signature

\_\_\_\_\_  
Name in capital letters

2. \_\_\_\_\_  
Signature

\_\_\_\_\_  
Name in capital letters