

NDLAMBE LOCAL MUNICIPALITY



DONATIONS and GRANTS-IN-AID POLICY 2025/2026

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1. DEFINITIONS “**Appendix A**” means the application for grant-in-aid, detailed more fully below, and provided for in clause 5.2.

“**Appendix B**” refers to the memorandum of agreement (MOA), detailed more fully below, and provided for in clause 10.

“**Capacity building**” Capacity building refers to a process which enables human beings to realize their potential, build self-confidence and lead lives of dignity and fulfillment. These Capacity Building programs have to align to the basket of services of the Directorate: Social Development and Early Childhood Development i.e. Early Childhood Development, Youth Development, Substance Abuse, Poverty Alleviation, Vulnerable Groups and Street People.

“**Donations**” shall mean amounts 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.

“**Community Based Organization (CBO)**” are nonprofit groups that work at a local level to improve life for residents. The focus is to build equality across society in all streams - health care, environment, quality of education, access to technology, access to spaces and information.

“**Early Childhood Development (“ECD”) Facility**” means any place, building or premises, including a private residence, maintained or used partly or exclusively, for the reception, protection and temporary or partial care of more than six children that shall be registered, managed and maintained in terms of the Children’s Amendment Act, 41 of 2007.

“**Grant-in-aid**” means a grant-in-aid or allocation, as referred to in Section 17 (3) (j) (iv) of the MFMA, made by the municipality to any organisation or body referred to in Section 67(1) and to be utilised to assist the municipality in fulfilling the Constitutional mandates including social developmental and arts and culture programmes as set out therein.

“**Local Agenda 21**” means the international program, adopted by South Africa to put sustainable development into practice.

“**Memorandum of agreement (MOA)**” means the agreement entered into between the municipality and any organisation or body which receives a grant in- aid in terms of this Policy and Appendix A.

“**Non-governmental organisation (NGO)**” means a non-governmental organisation (NGO) that is a legally constituted non-profit organisation that operates independently from any form of government.

“**Non-profit company (NPC)**” means a company whose Memorandum of Incorporation must set out at least one object of the company and each such object must be either a public benefit object or object relating to one or more cultural or social activities, or communal or group interests as required by Item 1(1) of Schedule 1 of the Companies Act, 71 of 2008.

“**Non-profit organisation (NPO)**” means a non-profit organisation registered in terms of Section 13 of the NPO Act, 71 of 1997, established for public purpose and which income and property thereof is not distributable to its members or office-bearers, except as reasonable compensation for services rendered.

“**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.

2. PURPOSE, AIMS AND OBJECTIVES

- 2.1** This policy aims to provide a framework for grant-in-aid to non-governmental organisations (NGOs), community-based organisations (CBOs), non-profit organisations (NPOs) or non-profit companies (NPC) 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).
- 2.2** The purpose of the Grant-in-Aid Policy is **to complement the goals, objectives, programmes and actions of the Ndlambe Local Municipality's Integrated Development Plan (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.
- 2.3** Grants-in-Aid should not duplicate services already provided for by Council or which falls within the geographical jurisdiction in which Council operates, being EC105.
- 2.4** 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 Ndlambe community to create an enabling environment for community development.

3. LEGAL FRAMEWORK

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.

4. RESTRICTIONS

- 4.1** The Policy applies to all transfers of grants made by the Municipality towards support of services for the poor, marginalized or otherwise vulnerable people. Individuals may not apply for Donation for the individual to be considered for the purpose of this policy will be to the discretion of the Mayor and the Municipal Manager. 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.
- 4.2** The total expenditure on donations may not exceed 0,25% of the operational expenditure budget of the Municipality.
- 4.3** Donations will only be made for services rendered in the EC105.
- 4.4** Transfers made to categories A and B
 - 4.4.1** Transfers provided for those listed in Category A below may be made to a maximum of R60 000-00 per organisation or body per annum.

4.4.2 Transfers in Category B may exceed this amount where funding relates to night shelters or addresses specific ward priorities identified and specified in the IDP and upon proper motivation contained in a business plan to address said issue.

The decision to grant an amount more than R 60 000 is solely at the discretion of council and subject to availability of funds.

4.5 Donations payments shall be restricted to deserving organisation and bodies serving, especially those working with the poor/aged/youth/disabled/women/sport, as per the eligible categories in 6.2, 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.
- (iv) Individuals who participate in an organised event e.g runners, golfers, beauty pageant and any other falling under this category.

4.6 The following shall not be eligible to benefit in terms of this Policy:

4.6.1 Individuals;

4.6.2 Political parties or party political related activities or projects;

4.6.3 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

4.7 No grant will be allocated, under this policy, to organisations or bodies in cases where a member of Council, an official of Ndlambe Municipality close relatives of said individuals can benefit on financial assistance without that relationship is being declared.

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

4.9 An organisation or body is only entitled to one allocation per financial year. The Municipal Manager will use his/her discretion pending to the merits of the case to give financial assistance more than once to the same body on the same financial year.

5. GENERAL GUIDELINES AND CATEGORIES

5.1 General Guidelines

Funding of applications shall proceed on the basis listed below in response to an advertisement issued after the expiry of the relevant period associated with the specific category and after a compulsory workshop explaining the policy, application process and the required documentation has been attended by the applicants. Subject to the MOA provided for in clause 10, all funding is unrequited, provided there is compliance with said MOA. Funding of application in -

5.1.1 Category A will be considered on an annual basis ; and

5.1.2 Category B shall be considered on a three year basis subject to a monthly review at the discretion of the Municipality which may result in early termination for unsatisfactory and reckless expenditure.

Council in 6.1.1 and 6.1.2 reserve the right not to fund an organisation for two periods in succession and to cancel said funding in accordance with the MOA concluded.

5.1.3 Funding however 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) For political or ratepayers organisations/groupings;
- (iv) Individuals outside the boundaries of Ndlambe Municipality;
- (v) Where expenses have already been incurred.

5.1.4 Funding of projects and to organisations shall exclude travel costs, subsistence, accommodation, food or entertainment expenses of any kind, staff salaries, 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. The Municipality may also exercise their discretion to allow funding to extend to the above costs on a needs basis for the organisation or body clearly motivated for in the application.

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

5.2 Categories Eligible for Donation

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:

Category A

5.2.1 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) Promotion and preventative services to infants, children and women.

5.2.2 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:
 - o Riverine corridors; o Biodiversity;
 - o Natural and built environment; o Heritage resources; o Quality urban spaces; o Ecological conservation areas; o Urban agricultural complexes; o Bioregional planning; o Nature area management; o Wetlands;
 - o Local Agenda 21 projects;

5.2.3 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.

5.2.4 Social Development / Special Projects

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

5.2.5 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) Entertainment
- (iii) Local sport and recreation councils or associations
- (iv) Informal sport and recreation groups; and
- (v) Community and non-government organisations.

Category B

5.2.6 Night Shelters

Purpose: Provision of shelter for vulnerable individuals living on the street, without homes, in the need of shelter at night. Shelter is provided on a temporary basis and residency should not be provided for on a permanent basis nor should it be construed as the provision of emergency housing. The Municipality aims to reduce the number of people living on the streets of Ndlambe Municipality and as such the organisation or body's goals should align with this vision. Further the Municipality aims to reduce the socio-economic effects of poverty on the community of Ndlambe Municipality. The organisation or body must therefore present to Council a clear business plan with a comprehensive response to the prevention, reduction, outreach and stabilisation of street people. Organisations or bodies that provide a continuum of services and that collaborate with businesses, government departments and other organisations are preferred. Street people programmes listed in Category A shall fall under this category if provision is made for overnight stay.

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

- (i) Provision of basic services (overnight facility, shower, morning and evening meals)(Soup Kitchens)
- (ii) Provision of social work services inclusive of referrals
- (iii) Family re-integration services
- (iv) Social support
- (v) Community work programme
- (vi) Facility maintenance (Infrastructure and operational equipment)

6.2.7 Projects aligned to the strategic objectives of the municipality as described in the IDP

Purpose: The promotion of projects/programmes which stimulates the Ndlambe Municipality's Integrated Development Plan (IDP) focusing on the strategic objectives of the Municipality and identified ward priorities. The organisation must therefore present to Council not only a clear business plan detailing how they intend to address the specific issue but how they intend to partner with other organisations to achieve a unified approach to that particular challenge. Organisations or bodies that provide a continuum of services and that collaborate with businesses, government departments and other organisations are preferred.

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

Those listed in Category A that address specific ward priorities identified and specified in the IDP and upon proper motivation contained in a potential plan to address said issue.

- (i) Preferred Investment Destination
- (ii) Greenest Municipality
- (iii) Dignified Living
- (iv) Safest Valley
- (v) Good governance, Compliance and projects or small businesses that will economically empower that entity or individual, and or those participating or working in it.

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 request letter.
- 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 Donation policy and application procedure prior to submission of the application
- 7.5 If successful with the application, the applicant must spend funds according to the approved Donation funding request. Should the need change over the funding period, written consent needs to be obtained from the municipality prior to spending the funds on alternative needs. Failure to spend funding on approved projects can result in the applicant being required to return the funding and/or the applicant being excluded from future applications for a period of 5 years.

8. LIMITATIONS - DONATIONS

- 8.1 An application for donation may be submitted by completion of the application form, as provided from time to time by the Municipality;
- 8.2 Donations to any person, organisation or body may not be approved more than once during a 24 month cycle.
- 8.3 The amount of any one donation approved by an office bearer may not exceed the amount of R5000.00 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.
- 8.4 The donation amount may not be deposited into a personal bank account.
- 8.5 The donations budget vote may not be supplemented by way of virements.

9. ADMINISTRATION

- 9.1 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.
- 9.2 A report reflecting the information stipulated in 9.1 above must be submitted quarterly to the Executive Committee.
- 9.3 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.

10. RIGHTS OF THE MUNICIPALITY

- 10.1 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).
- 10.2 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.
- 10.3 The Municipality has the right not to give a Donation to any or all organisations applying for funding. Having been awarded donation previously does not give an applicant the right to receive donation again. The council is not obliged to give donation.

11. COMMENCEMENT

This Policy will takes effect on the date on which it is adopted by the Council of Ndlambe.

12. DURATION OF THE POLICY

The duration of this policy will run concurrently with the term of office of the current council, it will be reviewed on every five years when the new council comes in.

