



# CAPRICORN DISTRICT MUNICIPALITY

## DONATIONS POLICY

Policy Number: 5/12/2	Date of Approval: 10/12/2010
Date of Effect: 10/12/2010	Date of Approval: <del>Review</del> Annually

Notwithstanding the review date as shown, this policy shall remain effective until approved otherwise by Council and may be reviewed on an earlier date as deemed necessary.

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## 1. PREAMBLE

- 1.1. CDM like many municipalities in the country serves a predominantly poor community and as such cannot rely exclusively on National Government funding and limited revenue it receives for the delivery of services.
- 1.2. It is imperative that requests for cash donations be properly co-ordinated, facilitated and managed.
- 1.3. In lieu of the latter, CDM through its Donations Committee shall actively promote activities aimed at the disadvantaged individuals, organizations and groups with the objective of attracting donations funding.

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- 1.4. It is further accepted that grants and donations made to organizations or individuals from municipal operating budgets should in all probability be prudent and free from breaching moral provisions.

## 2. PURPOSE

- 2.1. The purpose of this Policy is to complement the goals, objectives, and programmes of organizations and bodies outside government and actions whose main focus is to empower and building communities within the areas of CDM's responsibility

## 3. OBJECTIVES

- 3.1. The objective of this policy is to define the conditions under which grants and donations may be made to organizations or bodies outside government from the municipal operating budget.

## 4. PRINCIPLES

- 4.1. Grants and donations may be made to organizations and bodies outside government in compliance with a commercial or other business transaction as defined in the Municipal Finance Management Act.
- 4.2. CDM grants and donations shall be fair and driven by constitutional considerations of equity and transparency

## 5. POLICY SCOPE

- 5.1. CDM shall make a determination on the Cash or in Kind donations per project and/or organization per annum. Requests exceeding the pre determined Cash or in Kind donations shall be referred to the relevant authority for consideration
- 5.2. Fixed and immovable assets shall be excluded from the provisions of this policy
- 5.3. Cash donations to sporting clubs, events and/or individuals participating in such sports or events are excluded from the provisions of this policy. The latter should be funded from relevant votes
- 5.4. All cash donations shall be funded through grants and shall be budgeted for. No excess expenditure will be permitted except for where it is approved by the relevant committee.
- 5.5. All transactions shall be managed by a duly established Donations Committee that will be representative and under the control of CDM management.

## 6. REQUEST FOR DONATIONS

- 6.1. CDM shall place a public advert in the main local newspapers calling for requests for donation.
- 6.2. CDM' advertisements shall clearly specify the categories for which requests 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.
- 6.3. Only applications made on the prescribed form may be considered.
- 6.4. Advertisements shall clearly reflect the CDM'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 and failed not submitted a final audited report on the projects or previous expenditure.

## **7. CATEGORIES ELIGIBLE FOR DONATIONS**

7.1. CDM may donate funds to the following categories and amend these categories from time to time:-

7.1.1. Health projects/programmes including but 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.

7.1.2. Environmental Project/Programmes including but not limited to:

- i) Increasing the awareness of the environment by promoting "Greening of CDM",
- ii) Promotion of water safety and use.
- iii) Conservation of biodiversity and heritage resources

7.1.3. Solid Waste Project/Programmes but not limited to:

- i) Waste reduction and awareness;
- ii) Educational programmes/projects addressing litter and waste handling; and
- iii) Waste minimisation solutions.
- iv) Promotion of recycling endeavours.

7.1.4. Social Development Project/Programme but not limited to:

- i) Poverty alleviation
- ii) Capacity building of communities; including but not limited the deaf, the blind and the differently abled persons
- iii) Youth development;
- iv) Women and gender development;
- v) Early childhood development;
- vi) Facilitation of public participation processes; and
- vii) Arts and culture programmes

## 8. GENERAL POLICY GUIDELINES

8.1. The Donations Committee shall be responsible for *inter alia*;

- i) Evaluate all requests for donations received.
- ii) Keeping all minutes of meetings
- iii) Periodically updating all requests for donations
- iv) Periodically updating all approved and declined requests
- v) Recommending applications for cash donations within a reasonable period which shall not exceed 14 days from the date of receiving applications
- vi) Reporting to the Mayoral Committee on all relevant aspects of the expenditure vote

8.2. The transfer of funds will be subject to the following considerations:

- i) CDM must receive a written application
- ii) The application must be supported by a number of documents including *inter alia*, 2.2.1 A certified copy of the requesting Institution's constitution with a *domicilium et executandi* address
- iii) Applicants must be residents within the CDM area
- iv) Certified copies of financial statements of the Institution for the preceding three years prior (if applicable) to such an application being lodged
- v) A registered accountant's certificate confirming the financial standing of the applying Institution or an estimated financial turnover in the case of a relatively new Institution
- vi) A listing of the membership of the Institution at the time of the application if relevant
- vii) Municipal Manager approves the application, in consultation with the Chief Financial Officer, based on the qualifying criteria outlined in MFMA principles as ascertained from the supplied documentation

- viii) A Memorandum of Agreement (MOA) should be entered into between CDM and the requesting institution, which agreement shall provide for at least the following:
- a) A business plan detailing how funds will be applied
  - b) Commitment to the submission of a monthly report by the institution detailing actual expenditure incurred against the transferred funds, activities that were conducted, and the total list of traceable beneficiaries
  - c) ~~Commitment to a prompt submission of audited financial statement if so required by CDM~~
  - d) Verification and inspection authority shall lie with CDM for all activities and related expenses
  - e) The institution's head shall authorize CDM to confirm receipt into bank accounts all monies duly transferred and that the money will be utilized in accordance with the role the institution plays in society

8.3. Transfer of funds shall under no circumstances be effected to an individual and all funds transferred for the benefit of identified beneficiaries will only be made to an organization

8.4. Expressed exclusions (non-qualifiers) to the policy shall be:

- i) Political party activities
- ii) Church or Religious denominations
- iii) Council members or CDM officials
- iv) Profit-driven organizations
- v) Schools or tertiary institutions
- vi) Attendance of National or International conferences
- vii) Any other activity misaligned with constitutional provisions

**9. DONATIONS TO INDIVIDUAL FAMILIES**

- 9.1. CDM may provide donation in cash or in kind to any bereaved families within the areas of responsibility, who do not have the necessary means and resources to bury their loved ones.
- 9.2. The maximum donation to destitute families is limited to R5000 per family.

**10. IMPLEMENTATION AND AMENDMENTS**

The Municipal CFO is responsible for the implementation of this policy. CDM has the authority through the Municipal Manager to approve the transfer of funds as required by best practice and MFMA provisions. Further to the above, CDM reserves the right to change this policy as it may deem necessary from time to time

**11. APPROVAL**

This policy was approved by council on the 10th day of December 2010.

Signed by Phisoale T.M in his/her capacity as Acting Municipal Manager on behalf of council, on the 03<sup>rd</sup> of March 2011