

**PORTFOLIO COMMITTEE :  
MANAGEMENT SERVICES**

**Chairperson :**

**Ald P Appelgrein**

**Committee Members :**

**Cllrs M Andrews, J Kloppers-Lourens,  
M Sapepa & C Mandindi**

**PORTEFEULJEKOMITEE :**

**BESTUURSDIENSTE**

**Voorsitter :**

**Rdh P Appelgrein**

**Komiteelede :**

**Rdle M Andrews, J Kloppers-Lourens,  
M Sapepa & C Mandindi**

**MANAGEMENT SERVICES PORTFOLIO COMMITTEE**

**BESTUURSDIENSTE PORTEFEULJEKOMITEE**

**17 NOVEMBER 2015**

**I N D E X**

**ITEM**

**PAGE  
NUMBER**

**APPLICATIONS FOR LEAVE OF ABSENCE**

**STATEMENTS AND COMMUNICATIONS BROUGHT FORWARD BY THE  
CHAIRPERSON**

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**AGENDA of the  
Portfolio Committee : Management Services  
17 November 2015  
(Also the agenda for the Mayoral Committee Meeting : 25 November 2015)**

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**1.  
AMENDMENTS TO GRANT-IN-AID POLICY**

**5/16/1/B  
GG Smit  
27 October 2015**

**(028) 313 8035**

**Corporate Head Office**

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**1. Executive Summary**

The purpose of this report is to obtain approval for amendments to the Grant-in-Aid policy.

**2. Service Delivery and Budget Implementation Plan - IGNITE**

Management Services  
Social Development

**3. Compliance with Strategic Priorities**

Provision of democratic, accountable and ethical governance  
Creation and maintenance of a safe and healthy environment  
The encouragement of structured community participation in the matters of the municipality  
Promotion of tourism, economic and social development

**4. Delegated Authority**

None

**5. Legal Requirements**

The Constitution of the Republic of South Africa, Act 108 of 1996 (Constitution).  
Section 67 of the Local Government: Municipal Finance Management Act 56 of 2003 (MFMA).

**6. Background/Discussion/Evaluation/Conclusion**

**Background**

The Grant-in-Aid Policy provides for the donation of municipal funds to an organisation or body outside any sphere of government, which does not constitute a commercial or business transaction.

**AGENDA of the  
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17 November 2015  
(Also the agenda for the Mayoral Committee Meeting : 25 November 2015)**

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Council revised and approved its Grant-in-Aid Policy on 26 February 2015 to ensure that:

- the Policy remains relevant and up to date with the goals, objectives, programmes and actions of the Overstrand Municipality; and
- certain criteria and conditions are met before funds are transferred to an organisation outside any sphere of government otherwise than in compliance with a commercial transaction, and to give guidelines as to which categories of organisations could apply to become beneficiaries.

The criteria that must be met, before funds are transferred, are provided in Section 67 of the Local Government: Municipal Finance Management Act, 2003 56 of 2003 (MFMA).

### **Discussion**

In terms of Section 67 of the MFMA, one of the conditions that must be met before funds are transferred is that, a beneficiary "...has agreed to report at least monthly to the accounting officer on actual expenditure against such transfer (Section 67, 1(a) (iii))."

The existing policy addresses this requirement in Annexure B: Memorandum of Agreement through clause 11, which reads as follows:

"The Beneficiary undertakes to submit to the Municipality (Director : \_\_\_\_\_) reports reflecting expenditure incurred against the funds deposited. The municipality retains the right to request more frequent expenditure reports if deemed necessary."

To address this disparity the following amendments are recommended to the policy (words that have been deleted are indicated with a ~~strike through~~ and words that have been inserted are underscored):

Section 10 of the policy (Annexure A):

10.2 The organisation or body shall submit monthly reports reflecting expenditure incurred against the Grant-in-Aid allocation.

Clause 11 of the Memorandum of Agreement (Annexure B to the policy) has been changed as follows:

The Beneficiary undertakes to submit to the Municipality (Director : \_\_\_\_\_) monthly reports reflecting expenditure incurred against the funds deposited. A monthly expenditure report template is attached hereto as Addendum A. ~~The municipality retains the right to request more frequent expenditure reports if deemed necessary.~~

**AGENDA of the  
Portfolio Committee : Management Services  
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**7. Financial Implications**

None

**8. Staff Implications**

None

**9. Comments from other Departments, Divisions and Administrations**

None

**10. Annexures**

Annexure A: Grant-in-Aid Policy

**RECOMMENDATION TO THE COUNCIL:**

that the amendments to the Grant-in-Aid Policy **be approved.**

**RESPONSIBLE OFFICIAL :**

**G SMIT**

**TARGET DATE FOR IMPLEMENTATION :**

**25 NOVEMBER 2015**

**AGENDA of the  
Portfolio Committee : Management Services  
17 November 2015  
(Also the agenda for the Mayoral Committee Meeting : 25 November 2015)**

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**1.  
AMENDMENTS TO GRANT-IN-AID POLICY**

**5/16/1/B  
GG Smit  
27 October 2015**

**(028) 313 8035**

**Corporate Head Office**

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**THIS MATTER SERVED BEFORE THE JOINT PORTFOLIO COMMITTEE ON  
17 NOVEMBER 2015, WHICH COMMITTEE RECOMMENDED AS FOLLOWS:**

**RECOMMENDATION TO THE COUNCIL:**

that the amendments to the Grant-in-Aid Policy **be approved.**

**RESPONSIBLE OFFICIAL :**

**G SMIT**

**TARGET DATE FOR IMPLEMENTATION :**

**25 NOVEMBER 2015**

# OVERSTRAND MUNICIPALITY



## GRANT-IN-AID POLICY

**In terms of:**  
Section 67 of the  
Municipal Finance Management Act, 2003.  
(Act 56 of 2003)

**OVERSTRAND MUNICIPALITY GRANT-IN-AID POLICY**

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**PREAMBLE**

**Whereas** section 67 of the Local Government: Municipal Finance Management Act, 2003 (Act No 56 of 2003) requires a municipality to ensure that certain criteria and conditions are met before funds are transferred to an organisation outside any sphere of government, otherwise than in compliance with a commercial transaction;

**And whereas** a policy would give guidelines as to which categories of organisations could apply to become beneficiaries;

**Now therefore** the Municipal Council of the Overstrand Municipality adopts the Grant-in-Aid Policy as set out in this document:

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## OVERSTRAND MUNICIPALITY GRANT-IN-AID POLICY

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### 1 INTRODUCTION

For the purpose of this policy 'Grant-in-Aid' means the donation of municipal funds, to an organization or body outside any sphere of government, which does not constitute a commercial or business transaction.

### 2 LEGAL FRAMEWORK

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, regulations and policies that may govern the transfer of municipal funds and that are not in contradiction to the above.

The power of the Municipality to make grants in aid is regulated by section 156 of the Constitution as read with section 8 of the Municipal Systems Act (MSA), Act 32 of 2000. These provisions limit the power to make grants-in-aid 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**.

Any grant made that does not conform to the abovementioned requirements is irregular expenditure in terms of the Municipal Finance Management Act (MFMA) and could also be considered in some circumstance as unauthorised. These funds would 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 Grant-in-aid Policy, the provisions of section 67 of the MFMA must be complied with.

### 3 PURPOSE

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

### 4 OBJECTIVES

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.

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.

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.

Grants-in-Aid should not duplicate operations already provided by Council in the jurisdiction of the municipality, but rather compliment such operations where possible.

## 5 RESTRICTIONS

- 5.1 The Policy applies to all transfers of grants made by the Municipality in terms of Section 67 of the MFMA.
- 5.2 The total expenditure on grants may not exceed 0.05% of the operational budget of the Municipality.
- 5.3 No transfer may be made which exceeds R50, 000.00 per organisation or body per annum.
- 5.4 This Grant-in-Aid Policy does not apply to the following, which Council may regulate via separate policies:
- Bursaries or funds to bursars for other activities / reasons / resources;
  - Disaster relief;
  - Indigent grants;
  - Housing development subsidies;
  - Housing billing subsidies;
  - Donation of assets, movable or immovable;
  - Rewards and Awards; donations to support individual, meritorious cases in order to assist and/or recognise individual excellence in whichever field;
  - Conditional grants received by the Municipality, which are in turn awarded to outside organisations to perform the service/function;
  - Inter-Governmental Grants; and
  - Funding for property rates or tariffs.
- 5.5 Funding will also not be considered in the following instances:
- Where only an individual will benefit;
  - Political organisations/ groupings;
  - Where the utilisation of the grant-in-aid will be outside of the Overstrand municipal boundary;
  - Where expenses have already been incurred;
  - Where the application does not meet with the stated objective of this policy;

- Where the application does not meet with the priorities, strategies and objectives as set out in the IDP;
- Requests from applicants to cover overspending on projects;
- Where an Organisation received a previous Grant-in-Aid allocation but failed to comply with the Memorandum of Agreement;
- Where a project or organisation is already receiving funds from Council in terms of Councils functions;
- Where a member of Council or an official of the Overstrand Municipality receives any direct financial or other gain.

5.6 An organisation or body is only entitled to one allocation per financial year.

## 6 APPLICATION REQUIREMENTS

Funding application will only be considered on an annual basis in response to the annual advertisement. **Applicants must complete the application form (Annexure C) in full, incomplete application forms and applications will not be considered.**

The following requirements shall apply upon application:

- 6.1 Applicants are required to be registered as non-profit organisations in terms of Section 13 of the Non-Profit Organisation Act, 1997 or registered as Section 21 (not for gain) Companies in terms of the Companies Act, 1973, or organs of state, or properly constituted community, welfare or voluntary organisations which have a constitution, provable active membership and an annual general meeting held within the previous 12 months.
- 6.2 Organisations must also be registered and or comply in terms of any other relevant legislation.
- 6.3 The Municipality reserves the right not to fund an organisation or body two years in succession or in any future years.
- 6.4 Applications for 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.
- 6.5 Applicants / organisations and bodies may not be in arrears with their municipal accounts.
- 6.6 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.
- 6.7 Grants-in-aid transfers/payments shall be restricted to deserving organisations provided 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 members and subscribe to sound accounting practices; and
  - (c) are located and serve communities and individuals who are most in need within the jurisdiction of the Municipality.

## 7 PUBLIC ADVERTISEMENT

- 7.1. The Municipal Manager must place a public advert in the main local newspapers distributed in the Overstrand Municipal Area, calling for requests.
- 7.2. Advertisements should 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.
- 7.3. Only applications made on the prescribed form (see Annexure C) may be considered.
- 7.4. 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 organisations that have received funds in the previous year but have not complied with the Memorandum of Agreement.

## 8 CATEGORIES ELIGIBLE FOR GRANTS-IN-AID

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

### 8.1 HEALTH

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

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

### 8.2 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 Overstrand".

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

- (i). Environmental groups/organisations;
- (ii). Organisations promoting community involvement as a means of sustaining leisure, aesthetic or environmental projects.
- (iii). Projects which further the Council's aims and the strategies of the Environmental Management Services including but not limited to the sustainable management of:
  - Coastline within the boundaries of the Overstrand;
  - Riverine corridors;
  - Biodiversity;
  - Natural and built environment;
  - Heritage resources;
  - Ecological conservation areas;

- Bio-regional planning;
- Nature area management;
- Wetlands;
- Animal welfare organisations; or
- Eco-tourism, e.g. bird watching.

### 8.3 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.
- (iv). Promotion of recycling endeavours.

### 8.4 SOCIAL DEVELOPMENT

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

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

- (i). Children and Families;
- (ii). Child Protection;
- (iii). People with Disabilities;
- (iv). Youth development;
- (v). Elderly;
- (vi). Women and gender development;
- (vii). Early childhood development;
- (viii). Street people programmes;
- (ix). Nutritional programmes; and
- (x). Arts and culture programmes.

### 8.5 SPORTS AND RECREATION

Purpose: To stimulate the development of sustainable Sport and Recreation infrastructure and programmes within the municipal area targeting, in particular, 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. This includes the promotion of swimming skills and water safety.

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

- (i). Local sport and recreation clubs;

- (ii). Schools sport teams or individuals;
- (iii). Local sport and recreation councils, associations or informal groups;
- (iv). Lifesaving clubs and swimming organisations
- (v). Voluntary rescue organisations;
- (vi). Civic, community and non-governmental organisations;

## **9 APPLICATION PROCEDURE**

Applications and proposals for grants-in-aid must be on the prescribed form stated in 7.3 above, a copy of which is attached hereto as Annexure C. 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 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) The most recent audited financial statements;
- 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 OBLIGATIONS OF THE APPLICANT**

- 10.1 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.
- 10.2 The organisation or body shall submit monthly reports reflecting expenditure incurred against the Grant-in-Aid allocation.
- 10.3 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.
- 10.4 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.
- 10.5 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.

## **11 RIGHTS OF THE MUNICIPALITY**

- 11.1 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.
- 11.2 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.
- 11.3 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.
- 11.4 The prioritisation of applications as well as the amount of the grant-in-aid may vary from year to year.

## **12 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.

## **13 DONATION ADJUDICATION COMMITTEE**

- 13.1 The Adjudication Committee will consist of, at least, the Executive Mayor or other Councillor as designated by the Mayor; the Municipal Manager, Chief Financial Officer, and the Director: Management Services as well as any other official the Committee may wish to include.
- 13.2 The Adjudication Committee will evaluate all proposals received.
- 13.3 The Adjudication Committee will have the power to make final awards.
- 13.4 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 COMMENCEMENT AND SHORT TITLE**

The policy is called the **Grant-In-Aid Policy** and takes effect on the date on which it is adopted by the Council of Overstrand Municipality.

<b>POLICY SECTION:</b>	<b>MANAGER: SOCIAL DEVELOPMENT</b>
<b>CURRENT UPDATE</b>	25 November 2015
<b>PREVIOUS REVIEW:</b>	26 February 2015
<b>PREVIOUS REVIEW:</b>	25 February 2014
<b>PREVIOUS REVIEW:</b>	29 August 2012
<b>PREVIOUS REVIEW</b>	27 June 2012
<b>PREVIOUS REVIEW</b>	26 May 2010
<b>APPROVAL BY COUNCIL:</b>	27 May 2009

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**ANNEXURE A: "156. POWERS AND FUNCTIONS OF MUNICIPALITIES"**

1. A municipality has executive authority in respect of, and has the right to administer-
  - (a) the local government matters listed in Part B of Schedule 4 and Part B of Schedule 5; and
  - (b) any other matter assigned to it by national or provincial legislation.
2. A municipality may make and administer by-laws for the effective administration of the matters which it has the right to administer.
3. 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

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**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

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**15 ANNEXURE B: MEMORANDUM OF AGREEMENT**

Entered into by and between

**OVERSTRAND MUNICIPALITY**

herein represented by

\_\_\_\_\_

in his / her capacity as

\_\_\_\_\_

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

and

\_\_\_\_\_

herein represented by

\_\_\_\_\_

in his/her capacity as

\_\_\_\_\_

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

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**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 herewith confirms that effective, efficient and transparent financial management and internal control systems are in place.
3. 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.
4. 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.
5. The Beneficiary herewith confirms and acknowledges that the funds may only be utilized for the purpose for which it was approved.
6. 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.
7. 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.
8. 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.
9. 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.
10. The Beneficiary undertakes to retain all expenditure vouchers, including cashed cheques, indicating the project number, etc. for audit purposes.
11. The Beneficiary undertakes to submit to the Municipality (Director: \_\_\_\_\_) monthly reports reflecting expenditure incurred against the funds deposited. A monthly expenditure report template is attached hereto as Addendum A.
12. 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: \_\_\_\_\_) 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.
13. 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:

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- 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.
14. 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.
15. 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.
16. 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 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 \_\_\_\_\_ to be deemed to have been effectively delivered or served.

17. 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.
18. 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.
19. 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.

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

**AS WITNESSES:**

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

For **THE BENEFICIARY**

Duly represented by:

\_\_\_\_\_  
(Name in capital letters)

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

\_\_\_\_\_  
(Name in capital letters)  
in his/her capacity as:

\_\_\_\_\_  
(Name in capital letters)

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

**AS WITNESSES:**

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

For **THE MUNICIPALITY**

Duly represented by:

\_\_\_\_\_  
(Name in capital letters)

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

\_\_\_\_\_  
(Name in capital letters)  
in his/her capacity as:

\_\_\_\_\_  
(Name in capital letters)



**OVERSTRAND MUNICIPALITY: MONTHLY GRANT-IN-AID EXPENDITURE REPORTING FORM**

**OVERSTRAND MUNICIPALITY: MONTHLY GRANT-IN-AID EXPENDITURE REPORTING FORM**

**MONTHLY REPORTS REFLECTING EXPENDITURE INCURRED AGAINST THE GRANT-IN-AID FUNDS DEPOSITED IN THE ORGANISATION'S ACCOUNT**

NAME OF ORGANISATION:					
Grant-in-Aid Allocation:	R _____	REPORTING DEADLINE	APPROVED BY RESPONSIBLE OFFICIAL	YES / NO	DATE
Expenditure August/September Available				YES / NO	
Expenditure October Available				YES / NO	
Expenditure November Available				YES / NO	
Expenditure December Available				YES / NO	
Expenditure January Available				YES / NO	
Expenditure February Available				YES / NO	
Expenditure March Available				YES / NO	
Expenditure April Available				YES / NO	
Expenditure May Available				YES / NO	
Expenditure June Available				YES / NO	

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<b>16 ANNEXURE C: APPLICATION FOR A GRANT-IN-AID</b>						
<b>PLEASE NOTE: THIS FORM MUST BE COMPLETED CORRECTLY AND IN FULL</b>						
<b>A</b>	<b>Legal Name of the Organisation</b>					
<b>B</b>	Date and year in which the organisation was founded:					
	(Give a brief description of business or activities of the organisation.)					
<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 registered. (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>	HEALTH		ENVIRONMENT		SOCIAL DEVELOPMENT	
	SOCIAL WORKS		SPORT AND RECREATION		OTHER	
	If "Other", please specify:					
	<b>Note:</b> For more detail see the section on Application Guidelines and categories in the attached Grant-in-Aid Policy.					
	Indicate specific type of project/program, as per the Grant-in-Aid Policy (Refer to Paragraph 8 of the Policy): <b>e.g. (iii) Promotive and preventative services to infants, children and youth.</b>					

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<b>APPLICATION FOR A GRANT-IN-AID (Continued)</b>	
<b>F</b>	<p><b>THE FOLLOWING MUST ACCOMPANY THIS APPLICATION:</b></p> <ul style="list-style-type: none"> <li>• A copy of the latest, audited financial statements.</li> <li>• A copy of the Organisation's Constitution / Articles / Memorandum.</li> <li>• A copy of a project/programme description and/or a business plan for the ensuing financial year.</li> <li>• A detailed project proposal that includes: <ul style="list-style-type: none"> <li>- Project Description (what is the projects focus and purpose)</li> <li>- Location / Area ( where the project will be carried out)</li> <li>- Beneficiaries / target group (who will directly benefit from this project)</li> <li>- 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.</li> <li>- Impact (what do you hope to achieve with the project and how will it be measured)</li> </ul> </li> <li>• Commencement and completion dates of the project.</li> <li>• 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.</li> <li>• A list of all other anticipated income sources funding together with the assessments for the proposed project.</li> <li>• Details of the applicant and its executive.</li> </ul>
<b>G</b>	<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>

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<b>APPLICATION FOR A GRANT-IN-AID (Continued)</b>			
<b>H</b>	<b>UNDERTAKING:</b>		
	<p>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.</p> <p>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.</p> <p>Thus done and signed at _____ on this _____ day of _____ 20____ .</p>		
	_____		_____
	Chairperson / Authorised Representative		Date
	_____		
	(Name in block letters)		
	_____		_____
	Secretary / Duly Authorised Signatory		Date
	_____		
	(Name in block letters)		
<b>I</b>	<b>PLEASE NOTE:</b>		
	<b>1</b>	<b>Completed application forms must be:</b>	<b>Or :</b>
		(a) Posted to: The Municipal Manager Overstrand Municipality P O Box 20 Hermanus, 7200	(b) Delivered by hand to the nearest municipal office in an envelope marked for:  The Municipal Manager Overstrand Municipality Magnolia Street Hermanus 7200
	<b>2</b>	<b>Closing date and time for submission of applications:</b>	
		DATE: _____	TIME: _____
<b>4</b>	<b>No late applications will be considered.</b>		