

# GUIDELINE FOR THE ALLOCATION OF PROPERTY TO NON-PROFIT SOCIAL CARE/SERVICE ORGANISATIONS AND CHURCHES

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## PURPOSE OF GUIDELINE

To serve as an administrative guide when evaluating and allocating fixed property, with out of hand rentals and sales to non-profit social care organisations as well as the lease and sale of fixed properties to churches.

## **A. NON-PROFIT SOCIAL CARE ORGANISATIONS**

### **1. SOCIAL CARE PRACTICES**

Social care are defined as services that is rendered by registered welfare, charitable, non-profit, cultural and religious organisations.

Social care includes the following types of uses, but is not limited to:

#### **1.1. SOCIAL CARE PRACTICES THAT FALLS UNDER THE MANDATE OF MUNICIPALITIES**

- 1.1.1. Child care facilities in as far as it contributes to the functionality of multipurpose child care facilities and that it is utilized on a non-profit basis
- 1.1.2. Youth activity centres (as the Girl Guides / Voortrekkers and after care centres)
- 1.1.3. Facilities for the housing, care and burying of animals
- 1.1.4. Local sport clubs / centres (only one club per sport code per town will be allowed)

#### **1.2. SOCIAL CARE PRACTICES THAT DOES NOT FALL UNDER THE MANDATE OF MUNICIPALITIES**

- 1.2.1 A place of worship to the extent it is used for purposes of social care and purposes of religious gatherings and that provides social/pastoral assistance to worshippers and the broader community.
- 1.2.2 Retirement villages for that portions of the building or facilities that is available for the general public use at subsidised or nominal prices;
- 1.2.3 Schools or centres that is used as facilities for disabled people;
- 1.2.4 Non-profit rehabilitation centres;
- 1.2.5 Houses or centres for poor, abused or needy people;
- 1.2.6 Organisations for homeless and elderly people;

## 2. REQUIREMENTS FOR THE ALLOCATION OF FIXED PROPERTY

- 2.1 Purpose of organisation.
- 2.2 Proof of registration as non-profit organisation.
  - 2.2.1 That in the case of a local sport club, proof must be submitted that the club is affiliated with a bigger recognised sport body.
- 2.3 Constitution of organisation.
- 2.4 Audited financial statements of organizations that is registered for longer than a year and financial income statements of organisations that is registered for a period shorter than a year.
- 2.5 6 months bank statements – stamped by the bank.
- 2.6 Business plan that includes proof of feasibility.
- 2.7 Proof of work already done by the organisation.
- 2.8 Proof of funding of project:
  - 2.8.1 Letter from funder to confirm that project is going to be funded.
    - 2.8.1.1 That is case of a crèche, a letter from the funder is needed to state that the funder is interested in funding the project.
    - 2.8.1.2 That in the case of a crèche, proof must be submitted of funding within one year of allocation of the property, where after the option will expire.
  - 2.8.2 Bank statements as proof that funding is available for the project.

## 3. FACTORS THAT IS TAKEN INTO ACCOUNT WHEN SELECTING AND AWARDING FIXED PROPERTY

- 3.1 Does the organisation serve the broader community?
- 3.2 Does the organisation serve a certain sector of the community?
- 3.3 How many staff are employed by the organisation?
- 3.4 How many people are served by the organisation?
- 3.5 What is the community value of the organisation?
- 3.6 Does the organisation have the necessary funding for the construction of the facility as well as the operation of the facility/project?
- 3.7 Is the organisation a financial risk to Council?

## 4. LEASE (excluding the lease of community halls) AND SALES TARIFFS

- 4.1 Non-profit **local sport clubs**, **child and animal care organisations** that qualify, shall pay a nominal lease tariff of R120,00 per year with regards to property that is **leased**. The difference between the market related lease amount and the nominal tariff shall be regarded as a social contribution that Council grants to the organisation and community.
- 4.2 Non-profit **child and animal care organisations** that qualify, shall pay a nominal purchase tariff of R120,00 per year with regards to property that is **sold**. The difference between the fair market value of the property and the nominal tariff shall be regarded as a social contribution that Council grants to the organisation and community.
- 4.3 Non-profit **social care/service organisations** (excluding **local sport clubs**, child and animal care organisations), that qualify, shall pay 50% of the market

- related rent with regards to property that is **leased**. The difference between the market related lease amount and the lowered tariff shall be regarded as a social contribution that Council grants to the organisation and community.
- 4.4 Non-profit **social care/service organisations** (excluding child and animal care organisations) that qualify, shall pay 50% of the fair market value of the property with regards to property that is **sold**. The difference between the fair market value of the property and the lowered tariff shall be regarded as a social contribution that Council grants to the organisation and community.

## **A. CHURCHES**

In the light of the quest for church premises within the Theewaterskloof area, the sale of fixed property to churches will be handled as follows:

### **5. REQUIREMENTS TO QUALIFY FOR THE AWARDING OF FIXED PROPERTY**

- 5.1 Proof of membership of at least 100 local people (living in the Municipal area / or relevant town) that is a member of the involved Church / Congregation / Religious society. (List of names, addresses, identity numbers and cell numbers)
- 5.2 Proof of Constitution of deed of establishment of Church / Religious society.
- 5.3 Proof of registration of Church / Religious society at a recognised representative body.
- 5.4 Proof must be provided in case the Church provides community service facilities over and above worship facilities.
- 5.5 Proof must be provided of availability of funding to buy the property.

### **6. CONDITIONS FOR THE AWARDING OF FIXED PROPERTY**

- 6.1 Only one premise per town will be awarded to a specific congregation of a Church / Religious society.
- 6.2 A building clause which places an obligation on the church to complete the church building within two years of purchasing the property, will be included in the deed of sale.
- 6.3 A premise is only awarded for the construction of a place of worship as a primary right. Approval must be obtained from the Department Planning for any consent uses on the premises.
- 6.4 That the property be developed for church purposes within a period of 5 years.

## **7 SALES**

- 7.1 Sales will be conducted in such a way that will ensure equality and transparency and will make provision for the following actions and procedures:
  - 7.1.1 Invitations are published as per public notice where interested Churches / Congregations / Religious societies are invited to register their information and intention to acquire land, on a Municipal database.
  - 7.1.2 The purchase price of a premise is determined as a once off sale of a premise per individual Church / Congregation of a Church / Religious society, at a discount price determined at 50% of the fair market value.
  - 7.1.3 The premises and building thereon may only be used for religious and other related social care purposes. In case it is used for other purposes,

it will revert to the Municipality for reallocation to another Church denomination.