

THEEWATERSKLOOF MUNICIPALITY



Relief, Charitable and Trust and Other Fund Policy

Approved by Council

27 March 2024

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1. Definitions and Acronyms

“accounting officer” means the municipal manager as prescribed by Section 60 of the Local Government: Municipal Finance Management Act, No. 56 of 2003, that is accountable to exercise the functions and powers assigned to an accounting officers i.t.o. the Act; to provide guidance and advice on compliance of the Act to political structures, and political office bearers and officials of the municipality but not limited thereto.

“Council” means the Municipal Council of the Theewaterskloof Municipality;

“Councillor” means a member of the Municipal Council of the Theewaterskloof Municipality;

“Grant” means the giving of non-repayable money, goods or services to a natural person or an organisation and ‘donate’ has a corresponding meaning;

“Mayor” means the Executive Mayor of the Theewaterskloof Municipality;

“MFMA” means the Local Government: Municipal Finance Management Act, No. 56 of 2003; and

“municipality” means the Theewaterskloof Municipality, a municipality established in terms of the Provincial Notice 487 as amended on 22 September 2001, Provincial Gazette Extraordinary 5590 (Western Cape).

Theewaterskloof Municipality Establishment Notice No. **XXX of [Date] [Month] [Year]**, issued in terms of the Local Government - Municipal Structures Act, No. 117 of 1998, or any structure or employee of the municipality acting in terms of delegated authority;

“Organisation”, a discernible grouping or individual with a developmental cause or need which includes, but is not limited to, a non-profit entity, benevolent society, non-governmental organisation and religious institution, irrespective of whether it is a legal person.

2. Problem Statement

The Executive Mayor receives regular requests for grants, donations and financial assistance from members of the public and organisations. Most of these requests are dealt with through the Theewaterskloof Municipality allocation of Section 67 Grants-in-Aid Policy, but some deserving requests fall outside of the ambit of the Policy.

3. Desired Outcomes

The establishment and effective administration of a Relief, Charitable and Trust and Other Fund (“Fund”) for the purpose of allocating grants by the Mayor at his/her discretion in respect of applications made or at the Mayor’s initiative in respect of cases set out in the Fund guidelines.

4. Strategic Alignment

It is intended that the Fund supports the strategic objectives of the municipality as set out in the Integrated Development Plan.

5. Legislative and Regulatory Context

- 5.1. Section 12 of the MFMA regulates the establishment of “relief, charitable, trust or other funds”
- 5.2. Section 12 (1) permits the establishment of a charitable, trust or other fund in the name of the municipality, with the municipal manager being the account officer of such a fund;
- 5.3. Section 12 (2) allows for the municipality to open a separate bank account in the name of the municipality for the purpose of such a fund;
- 5.4. Section 12 (3) determines that money received by the municipality for the purpose of such a fund must be paid into the bank account of the municipality, or if a separate bank account has been opened in terms of subsection (2), into that account; and
- 5.5. Section 12(4) determines that money in a separate account opened in terms of subsection (2) may be withdrawn from the account without appropriation in terms of an approved budget, but only –
 - a. by or on the written authority of the accounting officer acting in accordance with decisions of the municipal council; and
 - b. for the purposes for which, and subject to any conditions on which, the fund was established or the money in the fund was donated.

6. Roleplayers and Stakeholders

- 6.1. In order to give effect to the policy, the following role players including their respective powers, duties and responsibilities are listed below:
 - a. Organisations seeking assistance for which no provision has been made through the Section 67 Grants-in-Aid Policy need to furnish information as may be requested to facilitate the consideration and possible release of grants from the fund.
 - b. The Mayor identifies an appropriate use and determines the amount as well as the beneficiary and forwards the request to the Municipal Manager. The Mayor may impose conditions in respect of any grant made from the Fund.
 - c. The Mayor must also report to Council on a quarterly basis in respect of the status of the Fund including amounts withdrawn, and the names of the beneficiaries. Any donations received must also be reported.
 - d. The Municipal Manager or his nominee must assess the request and determine whether it meets the guidelines set out above as is required by Section 12 (4) of the MFMA. Provided that sufficient funds are available, the Municipal Manager or his nominee will withdraw the amount from the Fund.
 - e. Council may determine the maximum limit of any grant from time to time.

6.2. Fund Project Administrator

The responsibilities of the Special Fund Project Administration will include:

- Process application received from organisations and/or individuals
- Validate that all application documents are compliant
- Ensuring that approvals are obtained with the Municipal Manager
- Facilitate the Memorandum of Agreement (MOA) between the Executive Mayor and the individual/(s) or recipient organisation(s)
- Facilitate the support of Mayoral Committee Members (if relevant and required) and the approval of the Executive Mayor to each application successfully recommended
- Administer the authorisation of funding as per the System of Delegations
- Facilitate with the Finance Directorate for the payment of funding to approved applicants
- Provide the Executive Mayor and the Municipal Manager with a frequent report and/or monthly of all applications approved and funded/disapproved
- To prepare the quarterly report that must be submitted by the Executive Mayor to Council in respect of the status of the Fund, applications, disapprovals including, donations received and amounts withdrawn
- Ensuring proper recordkeeping of all applications and relevant supporting documentation

7. Policy Directives

7.1. The Fund may be used for —

- a. causes that will promote the profile of the municipality both nationally and internationally;
- b. cases of hardship;
- c. emergency or disaster situations where the municipality has no other provisions that can be utilised;
- d. the specific use and conditions as may be set out by a donor to the Fund;
- e. payment directly to any individual only on such condition as the Mayor will approve; and
- f. travelling, accommodation or subsistence of individuals or teams participating in events such as sport or cultural activities only when the Mayor is satisfied that it is a real need as a result of being disadvantaged.

- 7.2. A written agreement must be entered into with the recipient of the grant funding to ensure that the funds are used for the purpose intended.
- 7.3. A grant to an organisation for aiding communities in the municipal area of the Theewaterskloof Municipality in instances of individual or group hardship may be repeated.
- 7.4. The Fund may not be used for —
 - a. any purpose that benefits a political party;
 - b. the benefit of any Councillor or a family member or relative of any Councillor; or
 - c. activities occurring outside the boundaries of the municipality, except in exceptional cases and only after approval by the Mayor in consultation with the Mayoral Committee.
- 7.5. Subject to 7.3, any grant from the Fund shall not result in repeat commitments nor may any expectation be created that funding will automatically be made available in future.
- 7.6. Grants from the Fund may not be used in conjunction with other municipal funding or grants.
- 7.7. Process for release of funds
 - a. The Mayor identifies an appropriate use and determines the quantum of the grant, within any limitations set by Council, as well as the beneficiary and forwards the request to the Municipal Manager.
 - b. The Mayor may impose, in writing, conditions in respect of any grant made from the Fund.
 - c. The Municipal Manager or his/her nominee must assess the request and determine whether it meets the Guidelines set out above as is required by Section 12 (4) of the MFMA. Provided that sufficient funds are available, the Municipal Manager or his/her nominee will withdraw the amount from the Fund.
- 7.8. Reporting Requirements
 - a. The Mayor must report to Council on a quarterly basis in respect of the status of the Fund including amounts withdrawn, and the names of the beneficiaries.
 - b. Any donations received into the Fund must also be reported.
- 7.9. Donations to the Fund
 - a. Any member of the public or organisation may donate money to the Fund. The municipality may actively canvass for donations to the Fund.
 - b. If a donor specifies conditions in respect of any donation, the donated amount may only be utilised in terms of those conditions.
 - c. The Mayor may refuse any donation where the conditions attached are unacceptable to the Mayor.
 - d. The municipality may appropriate to the Fund from its annual budget.

7.10. Grant Limits

- a. The Council may determine the maximum limit of any grant from time to time.

8. Implementation

- 8.1. The policy shall be implemented by aforementioned stakeholders upon adoption by Council.

9. Monitoring and Evaluation

- 9.1. Monitoring of compliance with this policy and the status of the Fund shall be undertaken by Council upon submission of the quarterly reports which it shall receive.

10. Forms and Reporting Templates

- a. Fund Application Form
- b. Authorisation Form: Fund
- c. Sample Quarterly Report Template to Council
- d. Schedule of Donations from the Fund

11. Policy Review

- 11.1. The Mayor will consider a review of this policy when it becomes apparent that any of the provisions within it are no longer effective in achieving its objectives. Following such review, any amendments to the policy will be presented to Council for consideration of their adoption.