



## **Grant in Aid Policy**

### **Effective from 1 July 2025**

<b>Reviewed / Approved By</b>	<b>Date</b>	<b>Signature</b>
Community Services Portfolio Committee		
Municipal Manager		
Council		

## TABLE OF CONTENTS

1.	AIMS AND OBJECTIVES .....	3
2.	LEGAL FRAMEWORK .....	3
3.	RESTRICTIONS .....	4
4.	PUBLIC ADVERTISEMENTS.....	5
5.	GENERAL GUIDELINES AND CATEGORIES .....	6
6.	APPLICATION PROCEDURE.....	10
7.	OBLIGATIONS OF THE APPLICANT.....	12
8.	RIGHTS OF THE MUNICIPALITY .....	12
9.	AGREEMENT.....	13
10.	ADJUDICATION COMMITTEE .....	13
11.	COMMENCEMENT .....	13

## **1. AIMS AND OBJECTIVES**

- 1.1 This policy aims to provide a framework for Grant-in-Aid to non-governmental organisations (NGOs), community-based organisations (CBOs), non-profit organisations (NPOs) 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).
- 1.2 The purpose of the Grant-in-Aid Policy is to complement the goals, objectives, and actions of the Mogalakwena Local Municipality in order to create a sustainable, credible and caring town through the empowerment of communities:
  - 1.2.1 Grant-in-Aid is intended to support community-based and external organisations, which deliver essential services to communities that fall within the municipal area. It allows the municipality to create an enabling environment for community development; and
  - 1.2.2 This policy is aligned to and subject to the terms and conditions contained in sections 5 and 6 (except for 6.3.) of the Donations Policy of the Mogalakwena Local Municipality.

## **2. LEGAL FRAMEWORK**

- 2.1 All transfers of funds in terms of this policy shall comply with the:
  - 2.1.1 Constitution of the Republic of South Africa, 1996 as amended (Constitution).
  - 2.1.2 Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) as amended (MSA).
  - 2.1.3 Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) (MFMA).
  - 2.1.4 Any other applicable legislation, regulations and policies that may govern the transfer of municipal funds.

## **3. RESTRICTIONS**

- 3.1 The Policy applies to all transfers of grants made by the Municipality.
- 3.2 The total expenditure on grants may not exceed **1%** of the operational budget of the

Municipality.

3.3 No transfer may be made which exceeds **R 10 000-00** per organisation, except for:

3.3 No transfer may be made which exceeds R30 000-00 per organization, except for:

3.3.1 Allocations to organisations, which receive annual grants as per the approved annual budget of Council.

3.3.2 Allocations to organisations as approved by the Mayor in excess of **R10 000.**

3.3.2 Allocations to organisations as approved by the Mayor in excess of R30 000.

3.4 Grant-in-Aid transfers/payments shall be restricted to deserving organisations serving, especially those working with the **poor/aged/youth/disabled/women**, as per the eligible categories in 5.2, provided that such organisations or bodies:

3.4.1 Operate as a separate legal entity and are recognised as such by South African legislation.

3.4.2 Are governed by their constitutions, have regular meetings with their membership and subscribe to sound accounting practices.

3.4.3 Are located and serve communities and individuals who are most in need within the jurisdiction of the Municipality.

3.5 No Grant-in-Aid may be made to any political, church or sectarian organisation or body.

3.6 No grants will be allocated, under this policy, to organisations or bodies in cases where a member of Council or an official of Mogalakwena Local Municipality receives any financial or other gain from it.

3.7 Individuals may not apply for Grant-in-Aid and no payments may be made to individuals under this policy. Council may however set aside a specific amount from which the Municipal Manager, after consultation with the 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.

- 3.8 Funds may only be transferred to an organisation or body if provision has been made for the expenditure on the budget or appropriations budget.
- 3.9 An organisation is only entitled to one allocation per financial year, but disbursements can be made more often.

#### **4. PUBLIC ADVERTISEMENT**

- 4.1 The Municipal Manager must place a first public advert calling for proposals in the main local newspapers within three months after the approval of the annual budget.
- 4.2 Advertisements should clearly specify the categories for which proposals 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. Only applications made on the prescribed forms will be considered. Advertisements should also clearly reflect the Municipality's right not to make an award, as well as the fact that awards will generally not be made to organisations that have received funds in the previous year and those who have not submitted a final financial report on projects or previous expenditure.
- 4.3 Funds may not be transferred to any organisation or body that has not submitted a proposal in response to a public advertisement.

#### **5. GENERAL GUIDELINES AND CATEGORIES**

##### **5.1 General Guidelines**

5.1.1 Funding of applications will primarily be considered on an annual basis in response to the annual advertisement.

5.1.2 Funding will not be considered in the following instances:

- (a) 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;
- (b) Where in Council's opinion, an organisation receives sufficient funds from other sources to sustain its activities or the project, which is applied. For this purpose, organisations must submit financial statements and a budget for the ensuing financial year;
- (c) Where only an individual will benefit;

- (d) Where political or ratepayers' organisations/groupings will benefit,
- (e) Projects outside the boundaries of the Municipality; and
- (f) Where expenses have already been incurred.

5.1.3 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, which are in arrears.

5.1.4 Notwithstanding any provisions of this Policy, the Municipal Manager and Mayor can make recommendations on the granting of funds.

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

## 5.2 Categories Eligible for Grant-in-Aid

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

### 5.2.1 Health

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

- (a) Public Health interventions inclusive of TB, STDs and HIV/Aids;
- (b) Preventable lifestyle diseases e.g. drug/alcohol abuse, tobacco related illnesses; and
- (c) 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 Town"; to promote swimming skills and water safety.

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

- (a) Voluntary rescue organisations;

- (b) Recreational organisations;
- (c) Environmental groups/organisations;
- (d) Organisations promoting community involvement as a means of sustaining leisure, aesthetic or environmental projects; and
- (e) Projects, which further the Council's aims and the strategies of IMEP (Integrated Municipal Environmental Policy) and including but not limited to the sustainable management of:

- Riverine corridors;
- Biodiversity;
- Natural and built environment;
- Heritage resources;
- Quality urban spaces;
- Ecological conservation areas;
- Urban agricultural complexes;
- Bioregional planning;
- Nature area management;
- Wetlands;
- Local Agenda 21 projects; (UN Plan for Sustainable Development); and
- Animal Welfare organisations.

#### 5.2.3 Solid Waste (Cleansing)

Purpose: Waste Reduction and awareness.

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

- (a) Waste reduction and awareness;
- (b) Educational programmes/projects addressing litter and waste handling; and
- (c) Waste minimisation solutions.

#### 5.2.4 Social Development

Purpose: The promotion of projects/programmes, which stimulates the Mogalakwena Local Municipality's Integrated Development Plan (IDP) focusing especially on the needs of

the most marginalised sectors in the municipal area.

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

- (a) Poverty alleviation;
- (b) Children;
- (c) Community Development;
- (d) Youth development;
- (e) Women and gender development;
- (f) Early childhood development;
- (g) Street people programmes;
- (h) Elderly and Disabled persons; and
- (i) Arts and culture programmes.

#### 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:

- (a) Local sport and recreation clubs;
- (b) Schools' sports teams or athletes Provincial and National;
- (c) Local sport and recreation councils or associations;
- (d) Informal sport and recreation groups; and
- (e) Civic, community and non-governmental organisations.

## **6. APPLICATION PROCEDURE**

Applications and proposal for Grant-in-Aid must be on the prescribed form available from the municipality. 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:

- 6.1 The applicant's legal name and a brief description of the applicant's business.



- 6.2 Non-profit organisations must provide its registration number.
- 6.3 The date of establishment, details of the applicant's members, founding documents, including constitution and certificates of incorporation.
- 6.4 A contact name, full street address, telephone number and e-mail address.
- 6.5 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.
- 6.6 If the request is for general support, the organisations or body's overall budget must be included.
- 6.7 A summary of achievements.
- 6.8 A declaration by the head of the applicant to the satisfaction of the Municipal Manager, 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.
- 6.9 Applications for Grants in Aid must be made on the application forms approved by the Chief Financial Officer (CFO) and be accompanied by all the required documentation such as Registration Certificates, Project Proposals, Business Plans, Annual Financial Statements or Management Accounts, latest municipal account and banking particulars.
- 6.10 Funding of applications will primarily be considered on an annual basis in response to annual advertisements placed by the Community Development Section.
- 6.11 Applications are submitted to the Community Development Section to make a first screening based on the criteria as set out in this policy.

## **7. OBLIGATIONS OF THE APPLICANT**

- 7.1 The head of the organisation must confirm with 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 in society. The funds should be used as

outlined in the application form.

- 7.2 The organisation 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 must be submitted as part of the application.

## **8. RIGHTS OF THE MUNICIPALITY**

- 8.1 The Municipality shall be entitled, from time-to-time, to verify and inspect the existence and activities of the organisation. 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).
- 8.2 The Municipality shall manage contracts entered into with organisations by receiving reports and doing the necessary site visits and inspections to ensure that this policy and contract are being complied with.
- 8.3 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.

## **9. 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.

## **10. ADJUDICATION COMMITTEE**

- 10.1 The Mayoral Committee will consider applications in terms of this policy. The Mayoral Committee has the discretion to assign a sub-committee or the portfolio committee to make recommendations to it.
- 10.2 All approved organisations should make a formal presentation in terms of this Policy to Mayor or to an assigned sub-committee or the Portfolio Committee that will serve as a pre-qualification criteria before final adjudication of donations.

## **11. COMMENCEMENT**

This Policy takes effect on the date on which the Council of the Mogalakwena Local Municipality adopts it.