GRANTS-IN-AID POLICY

1. **Introduction**

A rapidly changing society demands a proactive government with proactive program and policies. The challenges faced by Government and society cannot be tackled alone. A successful partnership is essential in addressing these challenges and the grants-in-aid program aims to achieve this exact goal.

2. **Purpose**

To provide support to organizations and bodies thereby enabling them to undertake actions and services to improve the standard of living of the communities, resulting in an improvement in the quality of life for those communities.

3. **Mission**

The guiding mission is to support organizations and bodies thereby adding value to the City’s endeavors that aim to address the prevailing social and economic inequalities.

4. **Objectives**

The grants-in-aid program seeks to assist non profit organizations and bodies to undertake their work as defined in their constitution, thereby ultimately improving the quality of life of the people of those communities. The program has the ability to address and develop our imbalanced society by providing an enabling environment for organisations to undertake the invaluable work that government is unable to undertake. The key objectives of the program are as follows:

4.1 Capacitate organisations to effectively manage their work and the organisation,
4.2 Provide financial and or material support to enable organisations undertake their work
4.3 Monitor and evaluate the intervention to ascertain impact
4.4 Review periodically intervention program and act accordingly.
5. **Grants-in-aid in context**

The vision of the City and the challenges that must be met are numerous. These challenges are an insurmountable task. It is therefore critical that community initiatives through civil society organizations be supported and partnerships be fostered so that the city’s vision can be attained.

The Long Term Development Framework and Integrated Development Plan identify and direct key resources necessary to meet these challenges. The key focus areas identified in the LTDF are, meeting basic needs, strengthening the economy and building skills and technology.

The IDP identifies key development challenges and the city’s approach in dealing with these challenges. The cross-cutting nature of the grants-in-aid program and the value it adds in addressing these challenges is far-reaching. This type of direct investment is impact-driven and has the ability to make a positive difference.

6. **Guiding legislation and policy**

The grants-in-aid program is guided by the following legislation and policy:

6.1 The Local Authorities Ordinance of 1974, Section 111,
6.2 The Municipal Finance Management Act of 2003, Section 67,
6.3 The City’s Long Term Development Framework and Integrated Development Plan

7. **Guiding principles**

The program shall be guided by, but not limited to, the following principles.

7.1 **Operational principles**

7.1.1 Publicise the program widely so as to encourage applications from all communities and groups
7.1.2 Promote projects that are beneficial to the wider community
7.1.3 Consider all applications equally with special emphasis on the rural, informal and the most needy communities.
7.1.4 Discourage repeat funding

7.2 Organisational principles

7.2.1 Encourage empowerment and capacity building
7.2.2 Require sound financial management policy, practices and procedures
7.2.3 Require organizations to show commitment to exploring other funding sources
7.2.4 Require organizations to report back on their usage of the grant-in-aid

8. Categories of Grants-in-aid

8.1 Sundry grants-in-aid

In this category applications are invited on an annual basis. The advert invites applications from four sectors namely, Social Welfare, Early Childhood Education, Sports and Culture and Economic empowerment. Applicants are requested to complete an application form and submit all the relevant information and documents prior to a specific closing date.

Applications are assessed and recommendations forwarded to the relevant committee for consideration.

8.2 Ad hoc grants-in-aid applications

There is no deadline for such applications and they are considered when they are placed before the relevant committee.

These applications take the form of requests to host and hold events and projects that have specific dates.

9. Excluded organizations

The Local Authorities Ordinance of 1974, clearly classifies the types of organizations that are excluded from receiving a grant-in-aid from the City, namely,
9.1 Organisations established for profit. Co-operatives fall in this category because they are set up to generate a profit to be shared by the members.

9.2 Political organizations, including any politically affiliated organization.

9.3 Religious, faith based organizations.

10. **Targeted beneficiaries**

10.1 **Geographical location**

   Only organizations based and operating within the municipality’s boundaries will be considered for a grants-in-aid.

10.2 **Target focus groups**

   Emphasis will be placed on supporting organizations from poor communities focusing on the following groupings of people:

   10.2.1 Children
   10.2.2 Youth
   10.2.3 Women
   10.2.4 Elderly
   10.2.5 People with special personal challenges

10.3 **Target organizations / sector**

   The following types of organizations are the targeted beneficiaries from the grants-in-aid program:

   10.3.1 **Cultural**
   The sharing and preservation of the cultures that defines and makes our City a truly rainbow nation must be supported to ensure an understanding and thriving cultural center.

   10.3.2 **Sporting**

   The support of amateur sport is crucial to building a strong workforce and providing our youth recreational activities that allow them to lead a good quality of life.
10.3.3 Economic empowerment

Empowering groupings of people with skills, tools and equipment to earn a living is a challenge that must be tackled vigorously to ensure that our City is one where unemployment is out of choice.

10.3.4 Education

Assistance to formal education will not be supported except for specific cultural and youth development initiatives.

10.3.4.1 Early Childhood Development

Creches play a pivotal role in our society by firstly, creating the stepping stone for the child’s education and secondly affording parents an opportunity to seek employment.

10.3.4.2 Adult Basic Education

A literate society is a society that will assist government to achieve its goals and also assist the individual reach a higher more satisfied quality of life.

10.3.4.3 Children with special challenges

Children with special challenges will receive priority support in programs and projects where there is lack of adequate national or provincial government support.

10.3.5 Social Welfare

Most social welfare bodies provide support to our communities most vulnerable groups. Support will be forthcoming to organizations that provide services that adds to our Cities programs and projects.

Applications for disaster management will be forwarded to the relevant internal department for assistance.
11. **Types of assistance**

The program seeks to empower, capacitate and provide organizations with skill, knowledge and tools to undertake their work effectively and efficiently. The following are the types of assistance provided:

11.1 **Capacity building and empowerment programs**

The program seeks to ensure that the communities at large are capacitated in terms of the City’s grants-in-aid program and are in a position to comply with the requirements of the grants-in-aid policy requirements.

Organisation will also be assisted with training to ensure that they are skilled and trained in line with industry standards and norms.

11.2 **Monetary assistance**

This type of assistance will be limited only to those organizations that have proven financial systems, policies, practices and procedures in place to ensure that there is in no way any breach of the Municipal Finance Management Act of 2003.

11.3 **Goods and material assistance**

This type of assistance is favoured due to ability, by the Municipality, to monitor the usage thus minimizing the avenues for abuse and or misuse.

11.4 **Structural and other improvements**

Funding and assistance to improve the structure and other features of the organizations premises that improves the safety and well being of the members and the community at large will be considered.

12. **Application Compliance**
All applications must be duly completed on an completed in its entirety and applications must comply with all requirements. Each and every application form submitted for consideration must have the following information or documents.

The adjudicating panel will determine the importance of any non-submission and act in any manner it deems it to process the affected application.

12.1 Constitution

The application must contain the organization latest adopted and signed constitution. The constitution is to contain all relevant information, as required by the Department of Social Welfare when registering Non profit organizations.

12.2 Financial statements and information

A copy of the organizations last two financial years statements or financial information.

12.3 Bank statement

A copy of the organizations latest bank statement.

12.4 Certified copies of identity documents

Copies of at least two executive members identity documents. Preferably hose signing the application form.

12.5 Business plan

A copy of the business plan of the organization for the program for which funding is required.

12.6 Quotation for goods required (if applicable)

A quotation must be attached for goods or services required, if applicable.

12.7 Registration and or affiliation certificates
Copies of NPO registration and or other affiliation certificates must be attached for verification purposes.

12.8 **Report back on previous years grant-in-aid**

Organisations that have received previous funding from the grants-in-aid program must submit a progress report on the utilization of the grants-in-aid assistance.

13. **Consideration of applications**

The screening and adjudicating process will be informed by the Units strategic program plan. A panel comprising of affected municipal departments will consider the applications and make recommendations to the relevant committee.

The panel, in deliberating must ensure that their deliberations take into account the following:

13.1 It is fair and just,
13.2 It applies the policy consistently,
13.3 It applies the criteria consistently,
13.4 It considers each application on merit,
13.5 It assesses the final allocations to ensure that the target communities are beneficiaries,
13.6 That any deviation from the applied norms and criteria are documented and motivated

14. **Municipal Finance Management Act compliance**

In terms of Section 67 of the MFMA, the municipality and grants-in-aid beneficiaries must comply with certain requirements of the Act.

14.1 All beneficiaries receiving assistance in excess of R50 000 shall satisfy the following:

14.1.1 have the capacity and has agreed to comply with any agreement with the municipality
14.1.2 for the period of the agreement to comply with all reporting, financial management and auditing requirements as stipulated in the agreement
14.1.3 to report at least monthly to the accounting officer on actual expenditure against such transfers, and
14.1.4 to submit its audited financial statements for its financial year to the accounting officer promptly

14.2 A letter shall be sent to the Auditor General, certifying that it is uneconomical for organizations receiving less than R50 000 to comply with the following:

14.2.1 Compliance with financial, auditing and auditing requirements
14.2.2 Monthly reporting
14.2.3 Submission of audited financial statements

These organizations shall submit a report to the Head: Community Participation and Action Support not later than three months after the receipt of the grants-in-aid, such report to contain financial as well as program information.

14.3 Prior to any further allocation, the City shall ensure that the organization has complied in respect of submission of financial reports, financial management and auditing requirements of any previous grant-in-aid.

14.4 Where any body or organization has failed to comply with all reporting, financial management and auditing requirements, the Provincial Treasury shall approve any further transfers to such organizations or bodies.

15. Monitoring and evaluation

Monitoring and evaluation will be undertaken to ensure:

15.1 That the grant-in-aid is utilized for the intended purpose and in accordance with any agreement concluded with the City
15.2 That the organizations work undertaken arising from the grant-in-aid, filters to the respective beneficiaries
15.3 That the ongoing challenges and changing environment that beneficiaries are faced with are monitored and any intervention be tailor-made to ensure effective support
15.4 That organizational records and information be maintained to ensure that proper and precise information exists for future assistance.
15.5 That proper guidance, advice and support be provided to beneficiaries
16. **Forfeiture of grant-in-aid**

The City reserves the right to rescind any decision made to approve a grant-in-aid to any organization and such organization will forfeit the grant-in-aid if:

16.1. They fail to pick up their grant-in-aid within a reasonable period of time, such reasonable time to be decided by the Head: Community Participation and Action Support

16.2. The Unit can prove that efforts to locate the organization proved futile.

16.3. After the approval of the grants-in-aid information comes to light that the approval of such a grant-in-aid is not in the best interests of the City.

16.4. After the approval of the grants-in-aid information comes to light that the approval of such a grant-in-aid is in contravention of this policy or any other legislation.

16.5. The Council reserves the right to demand the return of any grant-in-aid made if it can be proved that the beneficiary organisation is not utilizing the grant-in-aid in the spirit in which it was made.

17. **Deviation from this Policy**

Any decision taken outside this policy must be reported to the full meeting of the municipality’s full Council.