



KAAP AGULHAS MUNISIPALITEIT
CAPE AGULHAS MUNICIPALITY
U MASIPALA WASECAPE AGULHAS

CAPE AGULHAS MUNICIPALITY

Grant-in-Aid Policy

Issued in terms of section 67 of the Local Government
Municipal Finance Management Act, 2003

Adopted by the Council on per resolution

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DOCUMENT DEFINITION

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Date	17 October 2010
Summary	This document is the Grant-in-Aid Policy applicable to the Cape Agulhas Municipality
Signature	_____
Date:	_____
Approved by the Council	MUNICIPAL MANAGER
Date:	_____
Effective date	_____
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	Resolution

AMENDMENT HISTORY

No	Amendment reference	Effective date	Chapter	Paragraph	Short description
1					
2					
3					
4					
5					
6					

PART 1: PREAMBLE

- 1.1. WHEREAS section 67 of the Local Government: Municipal Finance Management Act, 2003 (Act no 56 of 2003)-[MFMA] requires a municipality to ensure that certain criteria and conditions are met before funds are transferred to an organisation outside any sphere of government, other than in compliance with a commercial transaction; and
- 1.2. WHEREAS a policy would give effect and guidelines as to which categories of organisations could apply to become beneficiaries; and
- 1.3. NOW THEREFORE the Cape Agulhas Municipal Council repeals its Grant-in-Aid Policy (5/18/B; 5/18/1) of 26 March 2002 and adopts the Grant-in-Aid Policy as set out in this document.

PART 2: PURPOSE

- 2.1. The purpose of the Grant-in-Aid Policy is to provide:
 - 2.1.1. A framework for grant-in-aid to non-governmental organisations [NGO's], community-based organisations [CBO's] and non-profit organisations [NPO's] 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 MFMA.
 - 2.1.2. To complement the goals, objectives, programmes and actions of the Cape Agulhas Municipality in order to create a sustainable, credible and caring town by empowering and building communities and enhancing growth and sharing through partnerships.
 - 2.1.3. To improve the opportunity for Council to elicit the support of external organisations to deliver on those services to communities which fall within the Council's area of responsibility in a way which allows the town to create an enabling environment for community development.
 - 2.1.4. To 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 a developmental local government.

PART 3: ALIGNMENT WITH THE MUNICIPALITIES' STRATEGIC GOALS AND OBJECTIVES

- 3.1. This Policy supports the following municipal strategic directions drawn from the Integrated Development Plan [IDP] and Strategic Development Business and Implementation Plan [SDBIP]:

- IDP: ""
- SDBIP: ""

PART 4: PRINCIPLES

- 4.1. The principles guiding this Policy are to:
 - (a) Promote fairness, equitability and transparency in the process of granting aid funding.
 - (b) Support the poor, aged, youth, disabled and women.
 - (c) Promote sustainable solutions to serve the poor, marginalised or otherwise vulnerable.
 - (d) Identify and develop sustainable matching funding or sponsorship partnerships to meet the objectives of a developmental local government.

PART 5: SCOPE OF APPLICATION

- 5.1. This Policy is applicable to deserving organisations and bodies serving especially the poor, aged, youth, disabled and women subject to such bodies:
 - 5.1.1. Operating as a separate legal entity and recognised as such by South African Legislation;
 - 5.1.2. Being governed by their constitutions, have regular meetings with their members and subscribe to sound accounting principles; and
 - 5.1.3. Being located and serving communities and individuals who are most in need within the jurisdiction of the Cape Agulhas Municipality
- OR**
- 5.1.4. Qualifying as an organisation or body regulated by section 67(4) of the MFMA and located and serving communities and individuals who are most in need within the jurisdiction of the Cape Agulhas Municipality.

PART 6: RESTRICTIONS

- 6.1. This Policy does not apply to the following, which the Council may regulate via separate policies:
 - 6.1.1. Bursaries or funds to bursars for other activities, reasons or resources;
 - 6.1.2. Disaster relief;
 - 6.1.3. Indigent grants;
 - 6.1.4. Housing development subsidies;

- 6.1.5. Housing billing subsidies;
- 6.1.6. Donation of movable or immovable assets;
- 6.1.7. Rewards, awards or donations to support individual meritorious cases in order to assist and recognise individual excellence in whichever field;
- 6.1.8. Conditional grants received by the Municipality, which are in turn awarded to outside organisations to perform the service or function;
- 6.1.9. Inter-governmental grants;
- 6.1.10. Grants-in-aid in respect of property rates; and
- 6.1.11. Care-taker grants where the Municipality requires community organisations to maintain sports-fields or community facilities in terms of a Service Delivery Agreement.
- 6.2. The total expenditure on grant-in-aid as per this Policy may not exceed% of R of the operational budget of the Municipality and has to be budgeted for as such in the Municipal Annual Budget.
- 6.3. No transfer may be made which exceeds R per organisation or body per annum, except for allocations to organisations which in terms of an agreement perform a municipal function on behalf of the Municipality.
- 6.4. Funding will not be considered in the following circumstances:
- 6.4.1. Where only one individual will benefit;
- 6.4.2. Political, church or sectarian organisations or groupings;
- 6.4.3. Where the utilisation of the grant-in-aid will be outside the boundaries of the Cape Agulhas Municipal area;
- 6.4.4. Where expenses have already been incurred;
- 6.4.5. Where the application does not meet with the stated objectives and principles of this Policy;
- 6.4.6. Where the application does not meet with the priorities, strategies and objectives of the IDP;
- 6.4.7. Where a project or organisation is already receiving sufficient funding from other sources to sustain its activities or the project applied for;
- 6.4.8. Where organisations did not comply with its obligation conditions during previous allocations;

- 6.4.9. Where the allocation will constitute a second allocation per financial year;
- 6.4.10. Subsidies for municipal rates; and
- 6.4.11. Where a member of the Council or official of the Municipality receives any financial or other gain.
- 6.5. Subsequent requests from applicants to cover overspending on projects will not be considered.

PART 7: MAINTENANCE

- 7.1. Given the changing nature of the regulatory, control and operational environment of the Municipality, this document will be regularly reviewed and updated on an ongoing basis.

- 7.2. For clarification of any matter contained in this Policy, please address queries to the in the Office of the Chief Financial Officer [CFO].

PART 8: IMPLEMENTATION

- 8.1. This Policy is effective from

- 8.2. It is the responsibility of the Office of the CFO and various Line Department Managers to bring the content of this Policy to the attention of all parties concerned.

- 8.3. Enquiries on this Policy can be solicited from the Office of the CFO.

PART 9: GOVERNANCE AND REGULATORY FRAMEWORK

- 9.1. All transfer of funds in terms of this Policy shall comply with the:

- 9.1.1. Constitution of the Republic of South Africa, 1996 as amended;

- 9.1.2. Local Government: Municipal Systems Act, 2000 (Act 32 of 2000);

- 9.1.3. Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003);

- 9.1.4. Any other applicable legislation, regulations and policies that may govern the transfer of municipal funds and that are not in contradiction with the primary legislation referred to above.

- 9.2. The power of the Municipality to issue grant-in-aid funds is regulated by sections 12 and 67 of the MFMA.

- 9.3. A payment made that does not conform to the legislation referred to above as well as the provisions of this Policy is deemed irregular expenditure and will be treated as such in terms of the provisions of the MFMA.

9.4. All particulars of the grant-in-aid must be reflected in the budget and any adjustment budgets, in accordance with section 17(3)(l) of the MFMA.

9.5. Before transfers are made the provisions of section 67 of the MFMA must be complied with.

PART 10: CATEGORIES

10.1. The following categories currently apply, but are not regarded as exhaustive and may be amended from time to time:

10.1.2. Health projects and programmes, including but not limited to:

- (i) Public health interventions inclusive of TB, STDs and HIV/Aids.
- (ii) Preventable lifestyle diseases e.g. drugs, alcohol abuse, tobacco related illnesses, etc.
- (iii) Promotive and preventative services to infants, children and women.

10.1.3. Environmental projects and programmes, including but not limited to:

- (i) Voluntary rescue organisations.
- (ii) Lifesaving clubs and swimming organisations.
- (iii) Environmental organisations or groups.
- (iv) Organisations promoting community involvement as a means of sustaining leisure, aesthetic or environmental projects.

(v) Projects which further the Council's aims and the strategies related to:

- (a) Riverine corridors;
- (b) Biodiversity;
- (c) Natural and built environment;
- (d) Heritage resources;
- (e) Quality urban spaces;
- (f) Ecological conservation areas;
- (g) Urban agricultural complexes;

- (h) Bio-regional planning;
- (i) Nature area management;
- (j) Wetlands;
- (k) Local agenda 21 projects;
- (l) Animal welfare organisations; and
- (m) Eco-tourism, e.g. bird watching.

10.1.4. Solid waste (cleansing) projects and programmes, including but not limited to:

- (i) Waste reduction and awareness;
- (ii) Medical waste;
- (iii) Educational programmes or projects addressing litter and waste handling;
- (iv) Waste minimisation solutions; and
- (v) Promotion or recycling endeavours.

10.1.5. Social development projects and programmes, including but not limited to:

- (i) Poverty alleviation;
- (ii) Urban renewal;
- (iii) Capacity building of communities;
- (iv) Youth development;
- (v) Women and gender development;
- (vi) Youth development;
- (vii) Support to the aged;
- (viii) Early childhood development;
- (ix) Street people programmes;
- (x) Facilitation of public participation processes; and

- (xi) Arts and culture programmes.
- 10.1.6. Sports and recreation projects and programmes, including but not limited to:
- (i) Local sport and recreation clubs;
 - (ii) School sports teams or athletics;
 - (iii) Local sport and recreation councils, associations or informal groups; and
 - (iv) Civic, community and non-governmental organisations.

PART 11: PROCESS

11.1. ADVERTISEMENT PROCESS

11.1.1. The Municipal Manager must, within three (3) months after the approval of the annual budget or an adjustment budget (in the event that additional funds became available), place a public advert in the main local newspapers distributed in the municipal area, calling for applications.

11.1.2. Advertisement should clearly specify:

- (i) The categories for which proposals are called;
- (ii) The closing date for applications;
- (iii) Who applications should be addressed to;
- (iv) Where and how to obtain the relevant application documentation;
- (v) The Council's right not to make any award;
- (vi) That awards to organisations that have received funds in the previous year must submit a final audited report on the projects previously funded; and
- (vii) That only duly completed applications on the prescribed forms will be considered.

11.1.3. Funds may not be transferred to any organisation or body that has not submitted a proposal in response to a public advertisement.

11.2. APPLICATION PROCESS

11.2.1. Applications for grant-in-aid must:

- (i) Be made on the prescribed form as per Form CA/GIA 01.
- (ii) 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) Date of application;
 - (b) Contact details of the organisation or body;
 - (c) Date established;
 - (d) Type of organisation;
 - (e) Registration number;
 - (f) Details of previous funding received from the Municipality;
 - (g) Details of other funding received from the Municipality;
 - (h) Purpose or aim of grant;
 - (i) Detailed description of project to be implemented utilising the funding;
 - (j) Detailed breakdown of projected costs;
 - (k) Details of sources of income and funding;
 - (l) Banking details;
 - (m) References;
 - (n) Certification of details provided by senior person of organisation;
 - (o) Checklist of supporting documentation; and
 - (p) Declaration by head of organisation 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 the requirements of similar transfer of funds.

11.3. SCREENING PROCESS

11.3.1. Applications will be received and registered by the Office of the Chief Financial Officer.

11.3.2. A first screening will be conducted on Form CA/GIA 02, by a Committee of the Line Departments confirming:

- (i) Compliance with the criteria contained in this policy;
- (ii) Viability of project;
- (iii) Sustainability of project;
- (iv) That the project will be completed within available funds;
- (v) That sufficient evidence of proper financial control will be exercised;
- (vi) That applicants have demonstrated that it meets the goals of the IDP;
- (vii) That applicants have demonstrated cost-effective measures and ability to execute project successfully, achieve clearly defined outputs or outcomes and the ability to manage funds effectively;
- (viii) That the applicants have agreed to:
 - Comply with the transfer payment agreement;
 - Report monthly to the Accounting Officer on actual expenditure;
 - Submit audited financial statements for its financial year;
 - Implement effective, efficient and transparent financial management and internal control systems to guard against fraud, theft and financial mismanagement; and
 - Have in respect of previous similar transfers complied with all requirements.

11.3.3. The Committee of the Line Departments will make recommendations to the Council.

11.3.4. Ad hoc applications may be considered as part of and in terms of the Council's annual Budget Adjustment process.

11.4. APPROVAL PROCESS

11.4.1. The Council or a Committee of the Council will consider the recommendations from the Committee of the Line Departments and ensure that the applications:

- (i) Comply with the Municipality's criteria;

- (ii) Comply with the budgeted funds;
- (iii) Comply with the provisions of section 67 of the MFMA; and
- (iv) Applicants' municipal accounts are up to date.

11.4.2. The Council or a Committee of the Council will deliberate the applications and resolve on the final awards.

11.5. AWARD PROCESS

11.5.1. All applicants will be informed in writing of the outcome of their applications by the Office of the CFO or his nominee.

11.5.2. Where applicants are declined, they must be provided with reasons.

11.5.3. Successful applicants must sign the Transfer Payment Agreement, as per Form CA/GIA 03.

11.6. TRANSFER PROCESS

11.6.1. Payments will only be made once:

- (i) The Transfer Payment Agreement is duly completed (Form CA/GIA 03); and
- (ii) The Transfer Payment Certificate has been issued (Form CA/GIA 04/05).

11.6.2. Payments of grants will be transferred to the bank account of the applicant in such instalments as agreed to within the Transfer Payment Agreement.

11.6.2. Payments will be approved by the relevant delegated authority.

11.7. MONITORING AND EVALUATION

11.7.1. The Accounting Officer and his/her delegates are responsible for the monitoring and evaluation of the allocations, by ensuring that:

- (i) Funds are used exclusively for the purpose defined in the Agreement.
- (ii) Monthly progress reports are submitted and reviewed.
- (iii) Section 67(4) related beneficiaries receive the benefit, by obtaining receipts of the actual expenditure incurred and any other appropriate evidence.

(iv) where it is found that grants are used in breach of the Agreement, the provisions of the Agreement must be invoked and the matter must be reported to the Municipal Manager, the Council or relevant Committee of the Council.

11.7.2. The Office of the CFO must maintain a register of all grant-in-aid contributions made per financial year.

11.8. ACCOUNTING PROCESS

11.8.1. Payments will be effected through the Sundry Payments system of Accounts Payable.

11.8.2. For accounting purposes, it is required that:

- (i) All grants and allocations are budgeted and spent against cost element in each respective cost centre.
- (ii) Grants are to be managed as projects.
- (iii) Relevant narrative fields be completed when processing payments to identify various grants.

PART 12: RIGHTS AND OBLIGATIONS OF THE APPLICANT

12.1. Funding received may only be applied for auditable output deliverables and not input costs.

12.2. Grant-in-aid funds may not be applied for direct funding for salaries, wages, travel costs, subsistence, accommodation, food or entertainment.

12.3. Applicants or organisations and bodies must at all times ensure that their municipal accounts, rates and taxes – where applicable – are not in arrears.

12.4. Applicants must acknowledge the Municipality as the provider of funding in their funding record as well as any public record of grants received.

12.5. Applicants must submit regular progress reports and such financial information as required as well as a final report at the conclusion of the project.

PART 13: RIGHTS AND OBLIGATIONS OF THE MUNICIPALITY

13.1. To ensure the sustainability of projects undertaken by the organisation or body, the municipality may consider granting full funding of deserving projects/programmes, rather than pro rata allocations.

13.2. The Council may:

13.2.1. Consider applications only once a year in response to an annual advertisement.

13.2.2. Fund an organisation only once during a financial year cycle.

13.2.3. Not give a grant-in-aid to any or all applications applying for grants.

13.2.4. Not give a grant-in-aid to an organisation having been awarded a grant previously.

13.3. The Council may, from time-to-time, verify and inspect the existence and activities of the organisations or bodies. The Council will therefore have the right to physically visit the premises where the organisation, or funded project, is vested, to peruse the budgets and any progress reports related to the project for which the grant was made.

13.4. The prioritisation of applications as well as the amount of the grant-in-aid may vary from year to year.

13.5. The Municipal Manager in consultation with the Council may authorise a deviation from this Policy under justifiable circumstances and subject to a formal Council Resolution.

The Municipal Manager

<p><i>For Application use</i></p> <p>Details of organisation/body submitting the notification:</p> <p>I, _____ (insert full name)</p> <p>Position/Title _____</p> <p>Organisation _____</p> <p>ID number _____</p> <p>Registration number _____</p> <p>Contact number _____</p> <p>am the head of the organisation, certify that the information below is accurate and wish to apply for a grant-in-aid.</p> <p>Project/programme description (attach detailed project plan):</p> <p>Duration of planned project/programme:</p> <p>Amount required (attach cost breakdown):</p> <p>Category within which project falls as per paragraph 10 of the Grant-in-Aid Policy:</p> <p>Details of previous funding received from Municipality (attach sheet with appropriate details):</p> <p>Details of references (provide names and contact numbers):</p> <p>Banking details:</p> <p>Other sources of funding:</p> <p>Certify that the organisation:</p> <ul style="list-style-type: none"> - Implements effective, efficient and transparent financial management and internal control mechanisms to guard against fraud, theft and financial mismanagement. - Will sign and comply with the transfer payment agreement. - Will report monthly to the Accounting Officer on actual expenditure and progress. - Will submit audited financial statements for its financial year (if not a section 67(4) organisation). - Have in respect of previous similar transfers complied with all requirements. <p>Signature _____</p> <p>Designation: _____</p> <p>Date: _____</p>	<p><i>For Official use</i></p> <p>File number: _____</p> <p>Date of receipt: _____</p> <p>Link to IDP: _____</p> <p>Remarks: _____</p> <p>Remarks: _____</p> <p>Remarks: _____</p> <p>Remarks: _____</p> <p>Remarks: _____</p> <p>Remarks: _____</p> <p>Remarks: _____</p> <p>Signature _____</p> <p>Designation: _____</p> <p>Date: _____</p>
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Attach indexed list of all substantiating documentation.

The Municipal grant-in-aid Policy can be perused on the municipal website at www.capeagulhas.gov.za

FILE NUMBER	CA/GIA 02
NAME OF BENEFICIARY	
MUNICIPAL DELEGATED AUTHORITY	
Application number:	

EVALUATION OF APPLICATION FOR GRANT-IN-AID (Compliance with Section 67 of the MFMA)

NO.	REQUIREMENT	N/A	YES	NO	
APPLICANTS VIABILITY					
1.	Separate legal entity				
2.	Act in accordance with its constitution and apply sound accounting principles				
3.	Serve within the boundaries of the Cape Agulhas Municipal Area				
4.	Organisation as provided for in section 67(4) of the MFMA				
RESTRICTIONS					
5.	<p>Application does not fall within the parameters of:</p> <ul style="list-style-type: none"> Bursaries or funds to bursars for other activities, reasons or resources; Disaster relief; Indigent grants; Housing development subsidies; Housing billing subsidies; Donation of movable or immovable assets; Rewards, awards or 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 or function; Inter-governmental grants; Grants-in-aid in respect of property rates; and Care-taker grants where the Municipality requires community organisations to maintain sports-fields or community facilities in terms of a Service Delivery Agreement. <p>Application does not fall within the following circumstances:</p> <ul style="list-style-type: none"> Where only one individual will benefit; Political, church or sectarian organisations or groupings; Where the utilisation of the grant-in-aid will be outside the boundaries of the Cape Agulhas Municipal area; Where expenses have already been incurred; Where the application does not meet with the stated objectives and principles of this Policy; Where the application does not meet with the priorities, strategies and objectives of the IDP; Where a project or organisation is already receiving sufficient funding from other sources to sustain its activities or the project applied for; Where organisations did not comply with its obligation conditions during previous allocations; Where the allocation will constitute a second allocation per financial year; Subsidies for municipal rates; and Where a member of the Council or official of the Municipality receives any financial or other gain. 				
6.	<p>Application falls within the following categories:</p> <ul style="list-style-type: none"> Health Environment Solid Waste Social Development Sports & recreation Other (describe) <p>The prescribed form were duly completed. (Identify non-completed portions):</p> <p>Outcome of screening requirements:</p> <ul style="list-style-type: none"> Viability of project; Sustainability of project; That the project will be completed within available funds; That sufficient evidence of proper financial control will be exercised; 				
7.	<p>Application falls within the following categories:</p> <ul style="list-style-type: none"> Health Environment Solid Waste Social Development Sports & recreation Other (describe) 				
8.	The prescribed form were duly completed. (Identify non-completed portions):				
9.	Outcome of screening requirements:				
9.1	Viability of project;				
9.2	Sustainability of project;				
9.3	That the project will be completed within available funds;				
9.4	That sufficient evidence of proper financial control will be exercised;				



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9.5	- That applicants have demonstrated that it meets the goals of the IDP;
9.6	- That applicants have demonstrated cost-effectiveness measures and ability to execute project successfully, achieve clearly defined outputs or outcomes and ability to manage funds effectively;
	- That the applicants have agreed to:
	• Comply with the transfer payment agreement;
	• Report monthly to the Accounting Officer on actual expenditure;
9.7	• Submit audited financial statements for its financial year;
	• Implements effective, efficient and transparent financial management and internal control systems to guard against fraud, theft and financial mismanagement; and
	• Have in respect of previous similar transfers complied with all requirements.
TRANSFER PAYMENT HISTORY	
10.	Beneficiary received previous transfer payments from the municipality
11.	The objectives of previous projects were achieved
12.	Previous funds were utilised only for the purposes for which it was approved
PREVIOUS FAILURE TO COMPLY WITH TRANSFER PAYMENT REQUIREMENTS	
13.	The beneficiary previously failed to comply with the transfer payment requirements.
14.	If the answer to item 13 is 'yes' - further payment must be made subject to compliance with section 67(2) of the MFMA
15.	If the answer to item 13 is 'yes' - has the Provincial Treasury approved the transfer?
RECOMMENDATION	

THE UNDERSIGNED MEMBERS HEREBY CONFIRM THEIR AGREEMENT TO THE RECOMMENDATION ABOVE.

SIGNATURE OF MEMBER
 DATE:

NAME IN PRINT & DESIGNATION

MEMORANDUM OF AGREEMENT

Entered into by and between:

THE CAPE AGULHAS MUNICIPALITY

(Herein represented by Mr./Mrs.in his/her capacity as Municipal Manager:

(Hereinafter referred to as "the Municipality")

and

(a section 21 company/private concern/organisation as provided for in section 67(4) of the MFMA and as duly incorporated in terms of the laws of South Africa, with registration number having its main place of business at represented by in his/her capacity as duly authorised thereto)

(Hereinafter referred to as "the Beneficiary")

WHEREAS the parties have reached an agreement in terms whereof the Municipality will allocate to the Beneficiary the sum of R..... (amount in words) ("the funds") as a contribution towards the (amount in words) in the Municipality; clearly quoting the project reference number.

11. Expenditure vouchers, including cashed cheques, indicating the project number, must be retained for audit purposes.

12. A financial statement, preferably audited, but at least certified as materially correct by a registered accountant, which indicates the total allocation, total expenditure and total interest generated must be forwarded to the Directorate: within six months of completion of the project or at the end of the Beneficiary's financial year.

13. The following documentation and statements must also be forwarded to the Directorate: within six months after the end of the project or at the end of the Beneficiary's financial year:

NOW THEREFORE THE PARTIES AGREE AS FOLLOWS:

The Municipality shall effect payment of the sum of R..... (amount in words) in one OR two OR three tranches to the Beneficiary on the dates and/or and/or subject to the following terms and conditions:

1. The Beneficiary is required to establish and implement effective, efficient and transparent financial management and internal control systems.
2. In support of clause 1 of this agreement, the Beneficiary will furnish the Municipality with its most recent financial statements, prepared by a registered accountant.
3. The Beneficiary shall appoint a registered accountant to prepare the Beneficiary's financial statements in respect of the financial year during which this agreement is or remains in force.
4. Funds may only be utilised for the purpose for which they were approved.
5. It is recorded that the Beneficiary has submitted a business plan to the Municipality, which includes a budget, and incorporated herein. Funds will only be utilised in terms of the business plan.
6. The Beneficiary must deposit all funds into a separate trust account, within the Republic of South Africa, opened in the name of the Beneficiary, at any registered bank or building society.
7. Allocated funds must be deposited at the most beneficial available interest rate until they can be utilised for the purpose for which they were approved.
8. Interest earned may only be utilised for the benefit of the approved project.
9. If the project does not commence within six months after payment of the funds has been effected, all funds with interest must immediately be refunded to the Directorate: in the Municipality:

10. Surplus funds and interest thereon must immediately on completion of the project be paid back to the Directorate: in the Municipality; clearly quoting the project reference number.

11. Expenditure vouchers, including cashed cheques, indicating the project number, must be retained for audit purposes.

12. A financial statement, preferably audited, but at least certified as materially correct by a registered accountant, which indicates the total allocation, total expenditure and total interest generated must be forwarded to the Directorate: within six months of completion of the project or at the end of the Beneficiary's financial year.

13. The following documentation and statements must also be forwarded to the Directorate: within six months after the end of the project or at the end of the Beneficiary's financial year:

- 13.1 Audit report;
- 13.2 Financial statements consisting of the following:
 - 13.2.1 income statement;
 - 13.2.2 expenditure statement;
 - 13.2.3 balance sheet;
 - 13.2.4 cash flow statement;
 - 13.2.5 notes to the financial statements; and
 - 13.2.6 any other documentation required by legislation.
- 13.3. A report by a Director, Chief Executive Officer, or other most senior member of Management of the Beneficiary, as the case may be, pertaining to the project, and which refers to the following:
 - 13.3.1 functions and objectives of the organisation provided for by law or this agreement;
 - 13.3.2 the extent to which the organisation achieved its objectives for the financial year concerned;
 - 13.3.3 appropriate performance information regarding the economical, effective and appropriate utilisation of funds; and

13.3.4 an indication of other funds, if any, received from the State, as well as any undertaking given by the State.

14. The Director, Chief Executive Officer or other senior member of Management of the Beneficiary, as the case may be, must confirm that the utilisation of the funds was audited internally. This confirmation must form part of the audit report referred to in clause 13.1 of this agreement.

15. A progress report must be submitted to the Municipality on a quarterly basis. The first report must be submitted within 3 (three) months of the date of signature of this agreement and every 3 (three) months thereafter for the duration of this agreement. The Municipality shall be entitled to request additional information pertaining to any matters or issues raised in or relevant matters or issues omitted from a progress report.

16. The Beneficiary grants authorised Provincial officials access to its financial records at all reasonable times and these officials shall be entitled to inspect the Beneficiary's records at the Beneficiary's premises, after reasonable notice has been given.

17. Should the Beneficiary breach any or all of the conditions as set out in this agreement, and failing to remedy such breach within seven days of receiving written notice from the Municipality requiring it to do so, the Municipality, without detriment to any other remedy which may be available to it in law, shall be entitled to cancel this agreement and claim back all allocated funds with interest.

18. This memorandum of agreement constitutes the sole and only agreement between the parties pertaining to the subject matter thereof and no amendments thereto shall be of any force or effect unless reduced to writing and signed by both Parties.

19. If any of the clauses of this agreement or annexures 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.

SIGNED AT CAPE AGULHAS ON THIS DAY OF 2010

THE MUNICIPALITY

Duly represented by:

....., in his/her capacity as

Municipal Manager.

AS WITNESSES:

1. _____

Name also in capital letters:

2. _____
Name also in capital letters:

SIGNED AT CAPE AGULHAS ON THIS

DAY OF

2010

THE BENEFICIARY

Duly represented by:

AS WITNESSES:

1. _____

Name also in capital letters:

2. _____

Name also in capital letters:

NOTE: delete the portions not applicable to a MFMA section 67(4) organisation

FILE NUMBER	CA/GIA 04
NAME OF BENEFICIARY	
MUNICIPAL DELEGATED AUTHORITY	

Personal Number: _____

TRANSFER PAYMENT CERTIFICATE (Compliance with Section 67(1)(a) of the MFMA)

No.	REQUIREMENT	N/A	YES	NO
PREVIOUS TRANSFERS				
1.	Beneficiary received previous transfer payments from the municipality			
2.	The objectives of previous projects were achieved			
3.	Previous funds were utilised only for the purposes for which it was approved			
CAPACITY				
4.	The beneficiary implements effective, efficient and transparent financial management and internal control systems.			
5.	The beneficiary provided written assurance in support of point 4?			
6.	If the answer to item 5 is "no", can such written assurance be given?			
7.	If the answer to item 6 is "no", have conditions and remedial measures been set in place? (attach supporting evidence)			
REPORTING, FINANCIAL MANAGEMENT AND INTERNAL CONTROLS				
8.	Audited financial statements of the beneficiary were/will be submitted.			
9.	The beneficiary appointed a registered accountant to prepare its financial statements			
10.	The beneficiary has a separate trust account in its name, within the Republic of South Africa at a registered bank or building society, into which transfers can be made			
11.	The trust account offers the most beneficial interest rates			
12.	The beneficiary will submit a monthly report of its actual expenditure against transfers received.			
13.	The beneficiary will surrender surplus funds on completion of the project or at the end of the financial year, whichever is applicable.			
PREVIOUS FAILURE TO COMPLY WITH TRANSFER PAYMENT REQUIREMENTS				
14.	The beneficiary previously failed to comply with the transfer payment requirements.			
15.	If the answer to item 14 is 'yes' - further payment must be made subject to compliance with section 67(2) of the MFMA			
16.	If the answer to item 14 is 'yes' - has the Provincial Treasury approved the transfer?			
AGREEMENT ARRANGEMENTS				
17.	An agreement between the municipality and the beneficiary was concluded			
18.	Both parties signed the agreement			
19.	The delegated authority has been assigned the task of monitoring the beneficiary in terms of: a) Monitoring that funds are spent for its intended purpose b) Receiving all reports outlined in the MFMA			

THE UNDERSIGNED HEREBY CERTIFIES THAT ALL PRESCRIBED REQUIREMENTS HAVE BEEN MET IN ORDER TO EFFECT THE TRANSFER PAYMENT.

SIGNATURE OF DELEGATED AUTHORITY _____ NAME IN PRINT _____
 DATE: _____
 cc. Provincial Treasury

ALLOCATED NUMBER	GS/GIA 05
NAME OF BENEFICIARY	
MUNICIPAL DELEGATED AUTHORITY	

Personal Number: _____

TRANSFER PAYMENT CERTIFICATE (Compliance with Section 67(4) of the MFMA)

No.	REQUIREMENT	N/A	YES	NO
ORGANISATION OR BODY SERVING THE POOR OR USED BY GOVERNMENT AS AGENCY TO SERVE THE POOR				
1.	The beneficiary is an organisation or body provided for in section 67(4) of the MFMA			
2.	Compliance with section 67(1)(a) is uneconomical and unreasonable			
3.	The Auditor-General will be informed accordingly			
PREVIOUS TRANSFERS				
4.	Beneficiary received previous transfer payments from the municipality			
5.	The objectives of previous projects were achieved			
6.	Previous funds were utilised only for the purposes for which it was approved			
CAPACITY				
7.	The beneficiary implements effective, efficient and transparent financial management and internal control systems			
8.	The beneficiary provided written assurance in support of point 4?			
9.	If the answer to item 5 is "no", can such written assurance be given?			
10.	If the answer to item 6 is "no", have conditions and remedial measures been set in place? (attach supporting evidence)			
FINANCIAL MANAGEMENT AND INTERNAL CONTROLS				
11.	The beneficiary has a separate trust account in its name, within the Republic of South Africa at a registered bank or building society, into which transfers can be made			
12.	The trust account offers the most beneficial interest rates			
13.	The beneficiary will submit a monthly report of its actual expenditure against transfers received.			
14.	The beneficiary will surrender surplus funds on completion of the project or at the end of the financial year, whichever is applicable.			
PREVIOUS FAILURE TO COMPLY WITH TRANSFER PAYMENT REQUIREMENTS				
15.	The beneficiary previously failed to comply with the transfer payment requirements.			
16.	If the answer to item 14 is 'yes' - further payment must be made subject to compliance with section 67(2) of the MFMA			
17.	If the answer to item 14 is 'yes' - has the Provincial Treasury approved the transfer?			
AGREEMENT ARRANGEMENTS				
18.	An agreement between the municipality and the beneficiary was concluded			
19.	Both parties signed the agreement			
20.	The delegated authority has been assigned the task of monitoring the beneficiary in terms of: a) Monitoring that funds are spent for its intended purpose b) Receiving all reports outlined in the MFMA			

THE UNDERSIGNED HEREBY CERTIFIES THAT ALL PRESCRIBED REQUIREMENTS HAVE BEEN MET IN ORDER TO EFFECT THE TRANSFER PAYMENT.

SIGNATURE OF DELEGATED AUTHORITY _____ NAME IN PRINT _____
 DATE: _____
 cc. Auditor-General & Provincial Treasury