



GRANT-IN-AID POLICY

POLICY HISTORY

TITLE OF POLICY		Grant-in-Aid Policy					
POLICY OWNER		Chief Financial Officer Budget & Treasury					
POLICY CHAMPION		Director: Cash Management Name: Ms Shelley Baatjies Tel: 041 506 5306 E-mail: sbaatjies@mandelametro.gov.za					
DOCUMENT HISTORY:							
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ACRONYMS

CBO	Community-based Organisation
MFMA	Local Government: Municipal Finance Management Act 56 of 2003
MSA	Local Government: Municipal Systems Act 32 of 2000
NGO	Non-governmental Organisation
NPO	Non-profit Organisation
NpOA	Non-profit Organisations Act 71 of 1997
PIN	Personal Identification Number
SARS	South African Revenue Services

DEFINITION OF TERMS

Unless the context indicates otherwise:

“*Constitution*” refers to the Constitution of the Republic of South Africa, Act 108 of 1996;

“*Council*” refers to the Council of the Nelson Mandela Bay Metropolitan Municipality;

“*Municipality*” means the Nelson Mandela Bay Metropolitan Municipality, a Category A Municipality established in terms of Part 2 of Schedule 1 of Notice 85 in the Eastern Cape Provincial Gazette No. 654 on 27 September 2000 promulgated in terms of Section 12(1) of the Local Government: Municipal Structures Act 117 of 1998, for the municipal area described in such Notice;

“*Policy*” refers to the Grant-in-Aid Policy of the Nelson Mandela Bay Metropolitan Municipality;

“*vulnerable*” means groups within society that face higher risks of social exclusion and poverty, including but not limited to the disabled; children; women; the elderly; blacks (i.e. Africans, Coloureds and Asians); orphans; and the homeless.

1. PURPOSE

The Nelson Mandela Bay Metropolitan Municipality is committed to fostering inclusive sustainable and participatory local development. In pursuit of this commitment, the *Municipality* recognises the vital role played by community-based organisations (CBOs), non-governmental organisations (NGO's), non-profit organisations (NPO's) and other civil society partners in delivering essential services, promoting social cohesion, uplifting communities, and addressing the needs of the *vulnerable* in society. Central to these developmental objectives is the enhancement of value and empowerment, particularly for historically disadvantaged communities, thereby contributing to the broader transformation of South African society.

The Grant-in-Aid Policy provides a structured framework for the equitable, transparent, and accountable allocation of municipal financial assistance to eligible organisations in accordance with applicable legislation and governance principles.

The *Policy* furthermore seeks to:

- Support community development initiatives that promote sustainable development goals and align with the *Municipality's* strategic plans and priorities.
- Enhance sustainable development by addressing social, economic and environmental challenges at the local level through partnerships that complement municipal functions and extend the reach of public services.

This *policy* seeks to ensure that all Grant-in-Aid allocations are made in a manner that is fair, needs-based, and results-oriented, with clear criteria for eligibility, application, monitoring, and evaluation.

2. SCOPE

2.1 This *policy* applies to the allocation and administration of Grant-in-Aid funding by the *Municipality* to eligible external organisations that contribute to the *Municipality's* developmental objectives.

2.2 The scope of this *policy* includes:

2.2.1 **Eligible Entities:** Community-Based Organisations, Non-Governmental Organisations, Non-Profit Organisations, and other civil society organisations:

- (a) That are registered as a non-governmental organisation in South Africa
- (b) That are legally constituted.
- (c) That can demonstrate that they support South African beneficiaries that reside within the jurisdiction of the *Municipality*.
- (d) That are governed by their constitutions, have regular meetings with their members, that subscribe to good governance practices, sound accounting principles, and adhere to legislation governing their operations.
- (e) That serve communities and individuals who are in need, especially those historically disadvantaged.
- (f) That meet the requirements of s67 of the MFMA.

2.2.2 **Geographic Focus:** All funded projects and programmes must directly benefit the residents of Nelson Mandela Bay Municipality, with a particular focus on *vulnerable* and marginalised communities.

2.2.3 **Funding Areas:** The *policy* supports initiatives that align with the *Municipality's* strategic priorities, including but not limited to:

- (a) Arts, culture, and heritage
- (b) Community safety and crime prevention
- (c) Environmental sustainability
- (d) Health and wellness
- (e) Local economic development
- (f) Skills development and education
- (g) Social development and welfare
- (h) Youth and women empowerment

2.3 This *policy* does not apply to the following, including but not limited to:

- (a) For-profit organizations or entities
- (b) Individuals
- (c) Internal municipal directorates or municipal entities
- (d) Municipal sports teams (e.g. netball, soccer, hockey, etc)
- (e) Organisations not registered as non-profit organisations.

- (f) Political parties or organisations affiliated with political activities

2.4 This *policy does not apply* to the following areas, which may be governed by separate municipal policies and frameworks. The exclusions include, but are not limited to:

- (a) Disaster relief
- (b) Donation of movable or immovable assets by *Council*
- (c) Housing development projects and/or billing subsidies
- (d) Indigent support
- (e) Lease agreements, maintenance of municipal assets and facilities
- (f) Property rates and municipal services
- (g) Start-up and business funding for for-profit purposes.

3. REGULATORY FRAMEWORK

3.1 The *Policy* is informed and guided by the following legislative policy instruments:

- (a) *The Local Government: Municipal Finance Management Act 56 of 2003 (MFMA)* – Section 67 of the MFMA governs the transfer of funds to organisations and non-governmental bodies and organisations for non-commercial/business purposes, ensuring that such transfers are made transparently and with appropriate accountability measures.
- (b) *The Local Government: Municipal Systems Act 32 of 2000 (MSA)* – Chapter 4 gives effect to the Constitutional mandate of participatory governance, while Chapter 7 outlines principles and practices that promote fair administration, good governance, and sound financial management at the local government level.
- (c) *The Non-profit Organisations Act 71 of 1997 (NpOA)* – This Act provides for the registration and regulation of non-profit organisations, ensuring that they operate in a transparent and accountable manner;
- (d) The property rates policy of the *Municipality* – This policy provides for property rates relief to qualifying organisations, including certain non-profit entities, thereby supporting their sustainability and service delivery capacity.

- (e) The *supply chain management policy* of the *Municipality* – This policy governs the procurement of goods and services and regulates municipal services in accordance with the provisions of the Municipal Systems Act 32 of 2000, ensuring compliance, fairness and transparency.

3.2 The *policy* is furthermore guided by the National Treasury's *MFMA Circular No. 131 – Section 67 of the MFMA: Funds Transferred by Municipalities to Organisations and Bodies Outside the Government*.

4. POLICY PRINCIPLES

4.1 This *policy* is underpinned by the following guiding principles, which aim to ensure that the allocation of Grant-in-Aid funding is ethical, inclusive, and aligned with the *Municipality's* developmental objectives:

- (a) The improvement of the quality of life of the local community and the promotion of socio-economic development, with a particular focus on the historically disadvantaged communities.
- (b) The support of *vulnerable* groups within the jurisdiction of the *Municipality*, including but not limited to women, children, the elderly, persons with disabilities and the unemployed youth.
- (c) Fair, equitable and transparent distribution of municipal funds to eligible beneficiaries.
- (d) Enhancement of opportunities for organisations to access financial support within the framework of this *policy*.
- (e) Promotion of public participation in decision-making processes that affect communities and their development.
- (f) Commitment to good governance, accountability and compliance with applicable legislation and municipal policies.

5. POLICY OBJECTIVES

5.1 The key objectives of the *Policy* are to:

- (a) Ensure compliance with the regulatory framework governing the transfer of funds to organisations or bodies, other than in compliance with a commercial or other business transaction.
- (b) Provide a simple, accessible and efficient application and administration process for eligible organisations.
- (c) Ensure procedural regularity, accountability and good governance in the administration, allocation and monitoring of Grant-in-Aid funds.
- (d) Avoid duplication in the allocation of funds and promote coordinated support to maximise developmental impact.
- (e) Ensure the fair and equitable distribution of municipal resources to qualifying beneficiaries.
- (f) Strengthen the capacity of civil society organisations to deliver services and implement programmes that align with sustainable development and the *Municipality's* strategic priorities.
- (g) Promote inclusive socio-economic development by supporting initiatives that address poverty, inequality, unemployment, and social exclusion.
- (h) Make provision for the conditions under which funds may be administered, managed and accounted for by grant recipients.

6. ALLOCATION AND DISTRIBUTION OF GRANT IN AID FUNDING

6.1 The allocation and distribution of Grant-in Aid funding will be governed by the eligibility criteria and grant conditions set out below:

Eligibility criteria

To qualify for Grant-in-Aid financial assistance, an applicant must meet all the following eligibility criteria:

Legal Status and Compliance

- (a) Be registered as a non-profit organisation in terms of the Non-profit Organisations Act 71 of 1997.

- (b) Comply with the provisions of section 67 of the Local Government: Municipal Finance Management Act 56 of 2003, and any other applicable legislation. An exemption from compliance with section 67(1)(a) of the MFMA may be granted only if the applicant can demonstrate that:
- (i) It serves the needs of the poor;
 - (ii) The grant amount does not exceed one hundred thousand rand (R100 000).
 - (iii) Financial statements are reviewed by a registered professional accounting officer;
 - (iv) Acceptable accounting practices are applied in daily record-keeping; and
 - (v) The Accounting Officer of the *Municipality* certifies to the Auditor General of South Africa that compliance with section 67(1)(a) of the MFMA would be uneconomical and unreasonable. In such cases, the Accounting Officer must submit a formal letter to the Auditor General of South Africa in accordance with section 67(4) of the MFMA. The letter must include:
 - aa) The relevant factors informing the Accounting Officer's conclusion;
 - bb) A clear explanation of why compliance with section 67(1)(a) of the MFMA is deemed uneconomical or unreasonable; and
 - cc) The compensatory compliance measures the *Municipality* will require from the beneficiary organisation.

Operational Status and Alignment

- (a) Provide proof that it has been in operation for more than eighteen (18) months, aligns with the developmental objective of the *Municipality* and is actively serving the communities of the *Municipality*.
- (b) Be engaged in activities that support the strategic objectives and priorities of the *Municipality*.
- (c) Demonstrate capacity and effectiveness in delivering services.
- (d) Contribute meaningfully to the developmental and transformational agenda of government, particularly through socio-economic empowerment in historically disadvantaged communities.

- (e) Be actively involved in addressing the needs of the *vulnerable* sectors of the *Municipality's* population and/or contributing to poverty alleviation or eradication.

Financial Need

- (a) Clearly demonstrate the need for financial assistance. While financial need is a consideration, organisations with reserves for specific projects and/or self-sufficient programmes will not be penalised. The availability of other funding sources may influence the decision.

Governance and Constitutional Requirements

- (a) State in its *Constitution* that upon dissolution, assets procured with Municipal Grant-in-Aid funds will be handed over to an organisation with similar objectives

Application Compliance

- (a) Comply fully with all application requirements and follow the prescribed application process as set out in the *policy*.

Grant Conditions

6.1.1 Grant-in-Aid funding, will be subject to the following conditions:

Submission of Supporting Documentation

- (a) Applicants must submit the following documents together with the duly signed and completed application form:
 - (i) Proof of registration as a Non-Profit Organisation.
 - (ii) Latest audited financial statements, not older than twenty-four (24) months from applicant's financial year end, for applications exceeding R100 000.00, or financial statements, not older than twenty-four (24) months from the applicant's financial year end, reviewed by a registered accounting professional for applications of R100 000.00 or less, including an auditor's report where applicable.

- (iii) Most recent annual report approved by the Board and signed by the authorised director within six (6) months after applicant's financial year end.
- (iv) Latest bank statement, not older than three (3) months from the date of signing of the application.
- (v) A municipal account not older than three months (3) from the date of signing the application for property-owning applicants, subject to settlement or approved payment arrangements. Proof of arrangements must be provided. Lease or rental agreement and proof of payment compliance, where applicable.
- (vi) SARS tax compliance status verification, not older than one (1) month from date of signing the application, for any award not greater than fifteen thousand rand (R15 000) and more and determined by the supply chain management policies of the *Municipality*. Tax compliance status PINS will not be accepted as it does not confirm tax compliance status.
- (vii) A signed constitution for first-time applicants.

(b) Unsigned and incomplete applications will not be considered:

Use of Funds

- (a) Awarded funds may only be used for the purposes specified the application and as approved by *Council*. Any deviation without prior written approval will constitute a breach of the funding agreement.

Financial Year Limitation

- (a) The grant may not impose any future financial commitments on the *Municipality* beyond the approved financial year.

Compliance and Monitoring

- (a) Failure to comply with any grant condition may result in withdrawal of the funding, recovery of funds, or referral to alternative support mechanisms, as determined by the *Municipality*.

Grant Agreement

6.1.2 All successful applicants are required to enter into a formal written Grant Agreement with the *Municipality* prior to the disbursement of any funds. The Grant Agreement will outline, among other provisions:

- (a) Terms and conditions governing the grant.
- (b) Compliance requirements, including the recovery of funds in cases of non-compliance.
- (c) Reporting obligations and any additional responsibilities of the recipient.

6.1.3 Failure to conclude a Grant Agreement will result in the non-disbursement of funds.

Categories of Eligible Activities

6.1.4 The following **categories** of activities may be considered for Grant-in-Aid funding:

- (a) **Arts and Culture:** Initiatives that promote the image and reputation of the *Municipality* and contribute to the restoration and preservation of South African heritage. Preference may be given to activities that include local performances, exhibitions, or cultural showcases, particularly those that support community engagement and heritage education.
- (b) **Education and Capacity Building:** Projects or programmes that enhance access to learning, promote literacy, and contribute to community upliftment through education.
- (c) **Environment:** Activities that promote environmental awareness, conservation, and the protection of natural resources, including fauna, flora and marine life. Projects and programmes that aim to foster a culture of environmental responsibility and sustainability.
- (d) **Local Economic Development:** Projects and programmes that promote job creation, skills development, community empowerment. Initiatives should demonstrate impact.
- (e) **Sport:** Projects that enrich developmental and recreational sports programmes, including youth-focused activities and community-based sporting events. Applications aligned with broader transformation and inclusion goals in sport will be prioritised. Applications by sporting institutions that are affiliated to provincial/national governing bodies must be channelled

through the relevant governing body and reflect the way a developmental and transformational agenda will be addressed in the application.

- (f) **Welfare:** Initiatives that promote the well-being of *vulnerable* groups, including but not limited to women, children, the elderly, persons with disabilities, and individuals affected by poverty, HIV and AIDS or social exclusion.

Extent of Financial Assistance

The extent of any financial assistance will be determined based on an assessment of the information provided in the prescribed application form (see **Annexure A**) and the application of the criteria outlined in this *policy*. The final decision rests at the discretion of *Council*.

6.1.5 The annual allocation for financial assistance may be distributed across the following categories, subject to availability of funds and *Council* approval:

- (a) Arts and Culture – 5%
- (b) Education and Capacity Building – 30%
- (c) Environment – 10%
- (d) Local Economic Development – 10%
- (e) Sports – 10%
- (f) Welfare – 30%
- (g) Other – 5%

6.1.6 If the funds allocated to a category listed in clause 6.4.1 are not fully utilised during the financial year under consideration, the remaining funds may be reallocated for use in another category.

6.1.7 Financial assistance will be considered and granted based on the merits of each application, taking into account the applicant's compliance with the eligibility criteria, financial need, and the potential impact of the proposed initiative and alignment with the priorities outlined in this *policy*.

6.1.8 The following funding thresholds will apply:

- (a) An applicant that submits audited financial statements and meets all other eligibility criteria may be granted an award of no greater than R500 000.

- (b) An applicant that submits financial statements that are reviewed by a registered accounting professional and meets all other eligibility criteria may be granted an award no greater than R100 000.
- (c) Financial assistance may be provided for movable assets not exceeding an amount of R5 000 per item, to qualifying applicants, provided that items do not exceed the amounts outlined in clause 6.4.4.1 and 6.4.4.2 above.

Types of Assistance Excluded

The following types of financial assistance are excluded:

- (a) Property rates relief in respect of bodies that qualify for a rates rebate in terms of the property rates policy of the *Municipality*. Applicants must apply in terms of the aforementioned policy.
- (b) Relief from municipal service charges in respect of land owned/leased by an applicant.
- (c) Funds for procurement of fixed assets.
- (d) Payment of salaries, wages, allowances, honoraria, stipends, subsistence or any form of remuneration.
- (e) Property rates assessment.
- (f) Settling of municipal accounts, current or arrears, including but not limited to rates, taxes, service charges
- (g) Items listed under clause 2.4. of this *policy*.

Types of organisations that do not qualify for assistance include and are not limited to:

6.1.9 The following types of organisations do not qualify for assistance:

- (a) Churches.
- (b) Residents'/Civic/Ratepayers' organisations;
- (c) Labour or employer organisations;
- (d) Organisations that further racial discrimination or practice unfair discriminatory policies;
- (e) Organisations operating on a 'for gain', i.e. profit-making, basis;
- (f) Organisations/Bodies/Institutions affiliated to the *Municipality* through an internal arrangement;

- (g) Schools (primary and secondary education) and tertiary institutions.
- (h) Municipal entities.
- (i) Political parties and organisations affiliated to political parties.

Period of Financial Assistance

6.1.10 The financial assistance will be granted for a period not exceeding one financial year.

6.1.11 Applicants are required to re-apply for financial assistance annually, regardless of whether assistance was previously awarded.

7. APPLICATION LIFE CYCLE

7.1 This section outlines the step-by-step process for managing Grant-in-Aid applications, from the initial call for submissions to the final awarding and transfer of funds. It ensures transparency, fairness and compliance with municipal policy and budgetary provisions.

Call for applications

7.2 To initiate the Grant-in-Aid process, the *Municipality* may annually (e.g. September / October) issue a public call inviting eligible organisations to apply for financial assistance in the upcoming financial year.

7.3 Calls for Grant-in-Aid applications should clearly specify:

- (a) Grant categories;
- (b) Where and how to obtain the application documentation;
- (c) That only duly completed applications on the prescribed form will be considered;
- (d) Closing date for applications;
- (e) The recipient of the applications and where it may be delivered;
- (f) Council's right not to make an award;
- (g) Dates of meetings/workshops with prospective applicants to explain the process and required documentation.

- 7.4 Workshops/meetings should be conducted with prospective applicants at least four (4) weeks prior to the closing date of applications to allow reasonable time to prepare and submit applications.

Application Screening

- 7.5 All applications will undergo a rigorous evaluation to verify eligibility and compliance with the Grant-in-Aid Policy. This will ensure that all funding decisions are fair, transparent and consistently applied across all applicants.
- 7.6 The Corporate Services Directorate will be responsible for administering Grant-in-Aid applications, including formally recording the receipt of applications to maintain accountability and traceability.
- 7.7 Budget and Treasury will oversee data capturing, reporting, monitoring and evaluation of the grant process.
- 7.8 The Grant-In-Aid Technical Task Team will review all applications received in accordance with established Terms of Reference and in compliance with the Grant-in-Aid Policy.
- 7.9 Based on the applications received and the funding requested, the Grant-in-Aid Technical Task Team will recommend provisional transfer amounts for consideration by *Council*.

Public Participation

- 7.10 The *Municipality* will publish the list of qualifying applicants proposed to receive Grant-in-Aid in the upcoming financial year. This list will be advertised alongside the municipal budget documents for public comment.
- 7.11 The list of qualifying applicants will also be presented during public budget consultation sessions, providing community members with an opportunity to engage and offer input on the proposed allocations.
- 7.12 All public comments received regarding the proposed beneficiaries will be reviewed by the *Municipality*.
- 7.13 Applicants that receive unfavourable feedback during the consultation process will be given an opportunity to respond to concerns raised.

Objections

- 7.14 Following the conclusion of the public participation process, an objection period of two (2) weeks will be provided. During this time, any stakeholder who wishes to challenge the proposed Grant-in-Aid allocations may submit an objection. All objections must be accompanied by valid supporting evidence to substantiate the claims made.
- 7.15 Once the objection period closes, an appointed arbiter will review all submissions. The arbiter will conduct an investigation and consider the merits of each objection within a timeframe of two (2) to four (4) weeks. After completing the review, the arbiter will make a formal determination.
- 7.16 The outcome of the objection process will be communicated directly to the objector and published for public awareness to ensure transparency.

Final Award

- 7.17 All applications, together with supporting documentation, will be analysed and reported on in respect of good governance, legislative requirements and adherence to the *Policy* by the Chief Financial Officer of the *Municipality*.
- 7.18 The final list of approved grant recipients will be confirmed in the *Municipality's* approved budget.
- 7.19 Once the budget has been adopted, all applicants will be notified in writing of the outcome of their applications.
- 7.20 Successful applicants will be required to sign a Grant-in-Aid Agreement within a specified period, before any funds are disbursed.

Transfer of Funds

- 7.21 Funds will only be transferred to successful applicants, if:
- (a) The Grant-in-Aid Agreement is duly completed and signed; and
 - (b) Sufficient budget is available and approved by *Council*.

8. MISREPRESENTATION , FALSIFATION AND/OR OMISSIONS

- 8.1 Applicants are required to provide accurate, complete, and truthful information in all submissions and supporting documentation. Any misrepresentation, falsification, or omission of material facts will result in:
- (a) Immediate disqualification of the application.
 - (b) Recovery of funds if disbursement has already occurred.
 - (c) Possible legal action in accordance with applicable laws and municipal regulations.
 - (d) Exclusion from future Grant-in-Aid opportunities for a period of five (5) years.
- 8.2 The *Municipality* reserves the right to verify all information provided and may request additional documentation or conduct audits at any stage of the process.

9. RECORD-KEEPING

- 9.1 A record must be kept of grant-in-aid information for a period determined in the record management policy of the *Municipality*, *including but not limited to*:
- (a) All application forms and supporting documentation.
 - (b) A report specifying the names of all applicants, amount requested, comments by the Grant-in-Aid Technical Task Team, whether or not the applicant qualifies in terms of the *Policy*.
 - (c) The reasons for not granting financial assistance.
 - (d) Objections and the outcome thereof.
 - (e) The *Council* resolution in respect of recommended and approved grants.

10. REPORTING BY BENEFICIARIES

- 10.1 All recipients of a grant are required to submit a quarterly report and provide receipts and proof of expenditure. Refer to the municipal reporting template, **Annexure C**. This requirement applies regardless of whether the recipient intends to submit future applications. Failure to submit the required report may result in:

- (a) A requirement to refund the grant; and/or
- (b) Disqualification from future funding applications under the *Policy*.

11. GRANT-IN-AID MONITORING AND EVALUATION

- 11.1 To uphold principles of good governance, accountability and transparency, the *Municipality* will actively monitor and evaluate the implementation of projects and programmes funded through the Grant-in-Aid Policy. This oversight ensures that public funds are used effectively and for the intended purpose.
- 11.2 The Grant-in-Aid Technical Task Team may, from time-to-time, verify and inspect projects and programme that have received municipal funding. This includes the right to:
- (a) visit the physical premises of recipient organisations,
 - (b) review budgets and financial records,
 - (c) request progress reports and supporting evidence,
 - (d) interview beneficiaries of municipal funded projects and programmes, and
 - (e) publicise municipal funded projects and programmes.

12. POLICY IMPLEMENTATION AND REVIEW

- 12.1 The revised policy takes effect on 1 July of the new financial year following adoption by *Council*.
- 12.2 This policy will be known as the Grant-in-Aid Policy and will supersede all previously adopted policies governing financial assistance to external organisations (grant-in-aid) policies.
- 12.3 The *Municipality* will review and amend the *policy* annually and amend it where necessary, taking into account feedback from key stakeholders, operational requirements and any other relevant considerations.

ANNEXURE A: GRANT IN AID APPLICATION FORM

APPLICATION FOR GRANT-IN-AID

GENERAL CONDITIONS AND REQUIREMENTS

1. Application must be submitted by 12:00 noon **on the stipulated date each year.**
2. Applications will be considered only if submitted on the Official Application Form and accompanied by the required supporting documents as stipulated below:
 - (i) Proof of registration as a Non-Profit Organisation.
 - (ii) Latest audited financial statements, not older than twenty-four (24) months from applicant's financial year end, for applications exceeding R100 000.00, or financial statements, not older than twenty-four (24) months from the applicant's financial year end, reviewed by a registered accounting professional for applications of R100 000.00 or less, including an auditor's report where applicable.
 - (iii) Most recent annual report approved by the Board and signed by the authorised director within six (6) months after applicant's financial year end.
 - (iv) Latest bank statement, not older than three (3) months from the date of signing of the application.
 - (v) A municipal account not older than three months (3) from the date of signing the application for property-owning applicants, subject to settlement or approved payment arrangements. Proof of arrangements must be provided. Lease or rental agreement and proof of payment compliance, where applicable.
 - (vi) SARS tax compliance status verification, not older than one (1) month from date of signing the application, for any award not greater than fifteen thousand rand (R15 000) and more and determined by the supply chain management policies of the Municipality. Tax compliance status PINS will not be accepted as it does not confirm tax compliance status.
 - (vii) A signed constitution for first-time applicants, unless constitution was amended.
3. Applicants may not alter the structure of the Official Application Form. Any additional information that cannot be accommodated within the form may be submitted as an Annexure.
4. Grants will be awarded for one financial year only. Organisations requiring further assistance must submit a new application each year.
5. The amount awarded remains at the sole discretion of Council.
6. Any grants approved by Council will be payable from the month following the resolution.
7. The beneficiary's constitution must include a dissolution clause stating that, upon dissolution, any remaining assets will be transferred to an organisation with similar objectives.
8. All successful applicants must enter into a Grant-in-Aid Agreement with the Municipality. No funds will be disbursed until this agreement is duly completed and signed.
9. Organisations that received assistance from Council must submit quarterly reports detailing how the funds were utilised.
10. The completed application form, together with all the required documentation as per paragraph 4 above, must be forwarded to:

The Executive Director: Corporate Services

Postal: P O Box 116, Gqeberha, 6000

Physical: 11TH Floor, Lillian Diedericks Building, 191 Govan Mbeki Avenue, Gqeberha

Attention: Grant-in-Aid Administrator

Important: Only the Official Application form will be accepted.

QUERIES

Tel: 041-506 3229

E-mail: finassist@mandelametro.gov.za

**ALL DECISIONS OF THE COUNCIL ARE FINAL AND NO FURTHER CORRESPONDENCE IN RESPECT OF THE
FINAL AWARD OF AN APPLICATION WILL BE ENTERED INTO.**

INSTRUCTIONS

- Complete ALL sections thoroughly and accurately.
- Incomplete or inaccurate applications submitted without ALL required supporting documents will be disqualified and will NOT be processed further for consideration by the Council.
- If it is determined that false or misleading information was provided to obtain a grant, the allocated funds will be recovered through legal action and future applications will not be considered.

SECTION A: ORGANISATIONAL DETAILS

- 1) Legal Name of Organisation: _____
- 2) Non-profit Organisation registration number (attach proof of registration): _____
- 3) Organisation Type (e.g. NPO, NBO, Trust): _____
- 4) Date Established (DD-MM-YYYY): _____
- 5) Physical Address: _____
- 6) Postal Address: _____
- 7) Municipal Ward Number (if known): _____

Primary Contact:

- 8) Contact Person (Name & Surname): _____
- 9) Position/Role: _____
- 10) Telephone Number: _____
- 11) Mobile Number: _____
- 12) Email Address: _____

SECTION B: GOVERNANCE AND COMPLIANCE

- 13) Board/Trustees (names and roles) Attach list if necessary:

- 14) Number of employees: Full-time: _____ Part-time: _____
- 15) Volunteer count: _____
- 16) Organisational Objectives: Clearly state the objectives/goals of your organisation:

- 17) Infrastructure and Operational Strategies: Briefly describe your organisation's infrastructure (e.g. buildings, office space, vehicles, etc) and/or operational strategies aimed at achieving its objectives/goals. Include any future plans to achieve these objectives:

SECTION C: MEMBERSHIP/AFFILIATION

18) Is your organisation a member of/or affiliated to a major association under its category?

If "yes," please provide the following information for the affiliated organisation:

- (i) Name of organisation: _____
- (ii) Accreditation / Registration No: _____
- (iii) Name of contact person: _____
- (iv) Telephone numbers: _____
- (v) E-mail address: _____

SECTION D: MEMBERSHIP COMPOSITION

19) Does your organisation accept members from all diverse groups? ☐ Yes ☐ No

If "Yes," please provide a demographic breakdown of your membership:

RACIAL DISTRIBUTION	%
Black	
Coloured	
Indian	
White	
Other:	
GENDER DISTRIBUTION	
Male	
Female	
DISABILITY	
Persons with disability	
AGE DISTRIBUTION	
0 – 12 Years	
13 – 19 Years	
20 – 29 Years	
30 – 39 Years	
40 – 49 Years	
50 - 59 Years	
60+ Years	

20) Number of registered members: _____

21) Membership fee: _____

SECTION E: FUNDING REQUEST

22) Please Indicate the applicable funding category by marking an "X" in the appropriate box.

FUNDING CATEGORY		MARK WITH X
a)	Arts & Culture	
b)	Education and Capacity Building	
c)	Environment	
d)	Local Economic Development	
e)	Sport	
f)	Welfare	
g)	Other (please specify):	

23) Project/Programme Title: _____

24) Describe the aims and objectives of the project/programme:

25) Describe the desired outputs and expected impact of your project/programme. Additional information may be appended to the application.

26) Project Duration in months: _____ Start date – End date: _____

27) Target beneficiaries. Who are they and where do they live?:

Mark the beneficiaries of your project with an X below:

VULNERABILITY CATEGORY	MARK WITH X
Children	
Elderly	
Homeless	
Persons with disability	
Women	
Other (please specify):	

RACIAL CATEGORY	MARK WITH X
Black	
Coloured	
Indian	
White	
Other (specify)	

28) Briefly, describe your organisation's achievements and/or successes over the past two years. Additional information may be appended to the application.

29) Amount requested in Rands: R _____

Detailed Budget Breakdown

30) Provide itemised budget for the requested amount. Attach additional information, if required.

Line Item	Quantity/Units	Cost (R)

SECTION F: FINANCIAL INFORMATION

31) Bank _____ account _____ name: _____

32) Bank name: _____ Branch code: _____

33) Account number: _____

34) SARS Tax Compliance Status Verification. Attach proof (required for R15 000 +): _____

35) Name of the auditor/ audit firm/ registered accountant that audits the financial records of your organisation: _____

36) Explain your organisation's major sources of finance and associated funding strategies. (Please specify amount of funding from each source)

Previous Assistance from Council

37) Has your organisation previously received funding from the Council? ☐ Yes ☐ No

If **Yes**, please complete the table below:

Year of funding	Amount received	Purpose of funding	Reports submitted Yes / No

SECTION G: MUNICIPAL ACCOUNT

38) Kindly supply the municipal account number(s) of your organisation and attach a copy of the latest municipal account(s).

39) Does your organisation have any outstanding or arrear municipal accounts? ☐ Yes ☐ No

40) If Yes, have arrangements been made to settle the arrears? ☐ Yes ☐ No

41) If Yes, please attach signed copies of the arrangements made.

42) If No, please state the reason(s) for not making arrangements:

SECTION H: SUPPORTING DOCUMENTS CHECKLIST.

Kindly ensure that you have attached the following documents. Incomplete applications will not be considered.

Document		Mark X if attached. N/A if not required
<i>e.g.</i>	<i>Arrangements made with the Budget & Treasury i.t.o. arrears</i>	<i>N/A</i>
1	Proof of <u>registration</u> as a Non-Profit Organisation.	
2	Latest <u>audited financial statements</u> , not older than twenty-four (24) months from applicant's financial year end, for applications exceeding R100 000.00, or financial statements, not older than twenty-four (24) months from the applicant's financial year end, <u>reviewed by a registered accounting professional</u> for applications of R100 000.00 or less, including an auditor's report where applicable.	
3	Most recent <u>annual report</u> approved by the Board and signed by the authorised director within six (6) months after applicant's financial year end.	
4	Latest <u>bank statement</u> , not older than three (3) months from the date of signing of the application.	
5	A <u>municipal account</u> not older than three months (3) from the date of signing the application for property-owning applicants, subject to settlement or approved payment arrangements. Proof of arrangements must be provided. Lease or rental agreement and proof of payment compliance, where applicable.	
6	<u>SARS tax compliance status verification</u> , not older than one (1) month from date of signing the application, for any award not greater than fifteen thousand rand (R15 000) and more and determined by the supply chain management policies of the Municipality. Tax compliance status PINS will not be accepted as it does not confirm tax compliance status.	
7	A signed constitution for first-time applicants, unless constitution was amended.	

DECLARATIONS

I, the undersigned, hereby declare that:

- The information provided in this application is true, correct, and complete.
- All supporting documents attached are authentic and current.
- The applicant agrees to sign a Grant-in-Aid Agreement prior to any funds being disbursed.
- The applicant will utilise any grant funding solely for the approved purposes and will submit quarterly utilisation reports as required.
- The applicant's constitution has a dissolution clause stating that assets will be transferred to a similar organisation upon dissolution.

Authorised Signatory (Name and Surname): _____

ID Number: _____ Designation: _____

Signature: _____ Date (dd-mm-yyyy): _____

Witness 1

Name: _____

Signature: _____

Date: _____

Witness 2

Name: _____

Signature: _____

Date: _____

FOR NMBM OFFICE USE ONLY

Date received (dd-mm-yyyy) : _____ Application reference number : _____

SUPPORTING DOCUMENTS CHECKLIST

Document		Mark X if attached. N/A if not required
<i>e.g.</i>	<i>Arrangements made with the Budget & Treasury i.t.o. arrears</i>	<i>N/A</i>
1	Proof of <u>registration</u> as a Non-Profit Organisation.	
2	Latest <u>audited financial statements</u> , not older than twenty-four (24) months from applicant's financial year end, for applications exceeding R100 000.00, or financial statements, not older than twenty-four (24) months from the applicant's financial year end, <u>reviewed by a registered accounting professional</u> for applications of R100 000.00 or less, including an auditor's report where applicable.	
3	Most recent <u>annual report</u> approved by the Board and signed by the authorised director within six (6) months after applicant's financial year end.	
4	Latest <u>bank statement</u> , not older than three (3) months from the date of signing of the application.	
5	A <u>municipal account</u> not older than three months (3) from the date of signing the application for property-owning applicants, subject to settlement or approved payment arrangements. Proof of arrangements must be provided. Lease or rental agreement and proof of payment compliance, where applicable.	
6	<u>SARS tax compliance status verification</u> , not older than one (1) month from date of signing the application, for any award not greater than fifteen thousand rand (R15 000) and more and determined by the supply chain management policies of the Municipality. Tax compliance status PINS will not be accepted as it does not confirm tax compliance status.	
7	A signed constitution for first-time applicants, unless constitution was amended.	

Financial year within which application submitted: _____

VERIFICATION BY DELEGATED OFFICIAL:

Is municipal account in Good Standing? ☐ Yes ☐ No

Additional comments:

[illegible]

Name & Surname: _____ Designation: _____

Signature: _____ Date: _____

END

ANNEXURE B: GRANT AGREEMENT

GRANT-IN-AID AGREEMENT

Entered into by and between:

**NELSON MANDELA BAY METROPOLITAN MUNICIPALITY
(hereinafter referred to as the “Grantor”)**

and

**[Name of Beneficiary Organisation]
Registration Number: [NPO/NGO/Company Reg No.]
(hereinafter referred to as the “Beneficiary”)**

Effective Date: [Insert Date]

1. PURPOSE

The purpose of this Agreement is to set out the terms and conditions under which the Grantor will provide financial support ("the Grant") to the Beneficiary in the form of Grant-in-Aid funding for the implementation of the project/programme/activity described in the application and approved by the Grantor's Council.

2. GRANT AMOUNT

The Grantor agrees to provide the Beneficiary with funding in the amount of **R [insert amount]**, subject to the provisions of this Agreement and the approved budget.

3. USE OF FUNDS

3.1 The Beneficiary will utilise the Grant solely for the approved purpose and in line with:

- a) The application submitted and approved by the Grantor.
- b) The budget breakdown attached hereto as **Annexure A: Budget Breakdown of Approved Budget**.
- c) Applicable legislative and regulatory requirements governing public funds.

3.2 Funds may not be used for:

- a) Remuneration (salaries or wages), stipends, honoraria, employment related costs or subsistence.
- b) Political or religious activities.
- c) Any activities unrelated to the approved project.
- d) Settling of municipal accounts, current or arrears, including but not limited to rates, taxes, service charges
- e) The procurement of fixed assets.
- f) Property rates assessment.
- g) Property rates relief, either in respect of bodies that qualify for a rates rebate, nor for relief from municipal service charges in respect of land owned/leased by the applicant.
- h) Any other exclusionary items listed in the Grantor's Grant-in-Aid Policy.

4. DISBURSEMENT OF FUNDS

4.1 Disbursement will be made, subject to:

- a) Submission of progress and financial reports, and
- b) Demonstrated compliance with this Agreement and the Grantor's Grant-in-Aid Policy.

4.2 The Grantor reserves the right to withhold, suspend, or reclaim funds in case of non-compliance.

5. OBLIGATIONS OF THE BENEFICIARY

5.1 The Beneficiary will:

- a) Implement the project/programme/activity efficiently and effectively.
- b) Maintain accurate financial and administrative records.

- c) Submit progress reports, including narrative and financial statements, at agreed intervals.
- d) Allow the Grantor or its appointed representatives access to records, sites, and documents for monitoring and evaluation.
- e) Acknowledge the support of the Grantor in all promotional materials, media, and reports.

6. OBLIGATIONS OF THE GRANTOR

6.1 The Grantor will:

- a) Provide the Grant in accordance with this Agreement.
- b) Monitor performance and provide reasonable support and oversight.
- c) Give written notice of any breach or concern before exercising remedies under this Agreement.

7. DURATION

- 7.1 This Agreement will commence on the Effective Date and remain in force until **project completion as stated in the application**, unless terminated earlier in accordance with Clause 10.

8. REPORTING REQUIREMENTS

8.1 The Beneficiary will provide the following to the Grantor:

- a) Quarterly Progress Reports (both narrative and financial) in compliance with section 67 of the Municipal Finance Management Act (MFMA). Refer to **Annexure B: Grant-in-Aid Beneficiary Report**
- b) Final Project Report within 60 days of completion.
- c) Audited Financial Statements (if required by law or Grantor's policies).

9. MONITORING & EVALUATION

- 9.1 The Grantor may, at its discretion, conduct monitoring visits and evaluations to ensure compliance. The Beneficiary will provide reasonable cooperation during such activities.

10. TERMINATION

10.1 This Agreement may be terminated by:

- a) Mutual consent of both parties.
- b) The Grantor, with immediate effect, in the event of:
 - (i) Misuse of funds,
 - (ii) Fraud, misrepresentation, or gross negligence,
 - (iii) Non-performance or breach of obligations.

- 10.2 In such cases, the Beneficiary will refund to the Grantor any unspent or misused funds within 30 days of termination.

11. INDEMNITY

- 11.1 The Beneficiary indemnifies and holds the Grantor harmless from any liability, loss, or damages arising out of the Beneficiary's implementation of the project.

12. GOVERNING LAW

- 12.1 This Agreement will be governed and construed in accordance with the laws of the Republic of South Africa.

13. DISPUTE RESOLUTION

- 13.1 Any disputes arising under this Agreement will be resolved amicably through negotiation, failing which the matter may be referred to mediation or arbitration in accordance with South African law.

14. ENTIRE AGREEMENT

- 14.1 This Agreement constitutes the entire understanding between the parties and supersedes all prior oral or written agreements relating to the subject matter.

SIGNATURES

For and on behalf of the Grantor:

Name: _____
Designation: _____
Date: _____
Signature: _____

Witness 1	
Name:	_____
Signature:	_____
Date:	_____

Witness 2	
Name:	_____
Signature:	_____
Date:	_____

For and on behalf of the Beneficiary:

Name: _____

Designation: _____

Date: _____

Signature: _____

Witness 1

Name: _____

Signature: _____

Date: _____

Witness 2

Name: _____

Signature: _____

Date: _____

ANNEXURE A (of GIA AGREEMENT):
BUDGET BREAKDOWN OF APPROVED BUDGET

BUDGET BREAKDOWN OF APPROVED BUDGET IN RESPECT OF:

[insert beneficiary name]

No	Item	Amount	Grant Condition

ANNEXURE B (of GIA AGREEMENT):
GRANT-IN-AID BENEFICIARY REPORT

NELSON MANDELA BAY MUNICIPALITY

GRANT-IN-AID BENEFICIARY REPORT

SECTION 1: ORGANISATION DETAILS

Beneficiary Name: _____

NPO Registration Number: _____

Contact Person (Primary Responsible Officer): _____

Telephone Number: _____

Email Address: _____

Physical Address: _____

SECTION 2: FINANCIAL REPORT

Provide full financial disclosure on utilisation of Grant-in-Aid funds.

- **Total Grant Approved/Received:** _____
- **Total Amount Expended:** _____
- **Remaining Balance (if any):** _____

Required Supporting Documents (attach):

- ☐ Bank statements reflecting transactions
- ☐ Valid receipts and/or invoices
- ☐ Signed financial statements or expenditure schedule
- ☐ Proof of beneficiary payments or programme-related expenditure (where relevant)

Confirm whether funds were used exclusively for approved purposes:

- ☐ Yes
- ☐ No (If No, provide explanation below)

Explanation (if applicable):

SECTION 3: ACTIVITIES & OUTCOMES

- **Planned Activities (as per application):** _____
- **Activities Implemented:** _____
- **Key Outcomes Achieved:** _____
- **Beneficiaries Reached (number and demographics):** _____

SECTION 4: COMPLIANCE & CHALLENGES

Were all conditions of the Grant Agreement met?

☐ Yes

☐ No (please explain): _____

Challenges encountered during implementation:

Corrective actions taken:

SECTION 5: DECLARATION

I, the undersigned, certify that the information provided in this report is accurate and complete, and that all funds were used for the intended purpose in compliance with the Grant-in-Aid Policy of the Nelson Mandela Bay Municipality.

Name: _____

Designation: _____

Signature: _____

Date: _____