



**MOGALE CITY LOCAL MUNICIPALITY
COMMUNITY DEVELOPMENT SERVICES DEPARTMENT**

GRANT-IN-AID POLICY

2024-2025

TABLE OF CONTENTS

CONTENT	PAGE
DEFINITIONS	3
CHAPTER 1	4
POLICY STATEMENT OF INTENT	4
PURPOSE OF THE POLICY	4
LEGISLATIVE FRAMEWORK	4
POLICY OBJECTIVES	4
PRIORITY AREAS	4
CHAPTER 2	5
CATEGORIES OF GRANTS IN AID	5
SPECIAL PROVISION	5
CHAPTER 3	6
APPLICATION REQUIREMENTS	6
CHAPTER 4	7
PROCESS FOR APPLICATIONS	7
ADJUDICATION CRITERIA	8
CHAPTER 5	9
FUNDING ALLOCATION	9
PERCENTAGE DIVISION OF FUNDING	9
EXTENDED POLICY PROVISIONS ON BURSARIES	10
CHAPTER 6	11
POLICY IMPLEMENTATION	11
SOURCE OF FUNDING	11
MONITORING AND EVALUATION	11

POLICY REVIEW	11
AUDITING	11

DEFINITIONS

For the purpose of this policy, the following definitions shall apply:

MCLM MUNICIPALITY	Mogale City Local Municipality Mogale City Local Municipality
POLICY	GRANT-IN-AID POLICY OF MOGALE CITY
NGO	Non-Governmental Organization
CBO	Community Based Organization
NPO	Non-Profit Organization
MFMA	Municipal Finance Management Act (<u>Act No. 56 of 2003</u>)
IDP	Integrated Development Plan
Grant in Aid	Refers to the allocation of Municipal funds to organizations, bodies or individuals assisting the Municipality in the exercise of its powers and functions.
Aid	Provide support to organizations or individuals to improve and achieve their intended objective to develop others.
Applicant	Refers to the organization/individual applying for Grants in Aid
Beneficiary	An organization or individual to whom the Municipality has allocated Grant in Aid.
Organization	An organized group that serves the community in pursuit of educational, cultural social and economic development objectives.
Municipal official	An employee of Mogale City Local Municipality who is duly mandated by the Municipality to conduct an assessment of the Grant in Aid Applicant

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CHAPTER 1

POLICY STATEMENTS OF INTENT (SECTIONS 1-5)

1. PURPOSE OF THE POLICY

- ~~(a)~~ This policy seeks to provide a standardized framework for the disbursement of -
- Grant in Aid to all prospective beneficiaries and develop requisite qualifying
- criteria that are linked to the Municipality's priority areas.

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2. LEGISLATIVE FRAMEWORK

- (a) Sections 152 (1), (c) and (e) of Chapter 7 of The Constitution of the Republic of South Africa outline some of the objectives of Local Government as 'to promote social and economic development' as well as 'to encourage the involvement of communities and community organizations in the matters of local government'. The implication hereof is that financial and administrative resources at local government should be channelled towards the development and support of local communities.
- (b) The provision of section 67 of the Municipal Finance Management Act (Act no. 56 of 2003) provides guidelines relevant to the allocation of the Grants in Aid.

Commented [JJ1]: Consideration of section 153(a) of the Constitution, Structure and manage its administration and budgeting and planning processes to give priority to the basic needs of the community. The afore-mentioned is recommended based on the principles outlined for the Grants-in-Aid program. Section 152 is very broad.

3. POLICY OBJECTIVES

- (a) To regulate the grants-in-aid allocation to projects and individual initiatives supporting the 5 year ~~MM~~ Municipal IDP and Service Delivery ~~& -and~~ Budget Implementation Plans (SDBIPs).
- (b) To move Grants-in-aid from a Social Development focus to a more integrated focus, including areas like rural development and environmental management.
- (c) To provide a framework for approval and disapproval of grants-in-aid application.
- (d) To define the priority areas for Mogale City so as to create a focus for the allocation process.
- (e) To complement the goals-, objectives and programmes of Mogale City Local Council (MCLM) in order to create a sustainable, credible and caring city by empowering and building communities.

4. PRIORITY AREAS

The Grant in Aid Committee shall consider applications in the following focus areas:

- (a) Women, children, youth, people with disabilities, and the aged.
- (a) HIV/AIDS Programmes
- (b) Poverty alleviation
- (c) Job creation and SMME development.
- (d) Cooperatives development. Cooperatives activities to be assisted based on need and the maximum amount stipulated by the Policy.
- (e) Tourism Development
- (f) Arts, Culture & Heritage programmes
- (g) Environmental programmes
- (h) Crime prevention and Victim Empowerment
- (i) Training and skills development

- (j) Sport Development
- (k) Early Childhood Development
- (l) Higher Education

The above priority areas will therefore locally influence the trend in the grants-in-aid allocation process and should be linked to locally based projects.

CHAPTER 2

5. CATEGORIES OF GRANT IN AID

~~(4)~~5.1 Once off Grant in Aid

- (a) These applications take the form of requests to host events, activities and projects that have specific dates and/or purpose.
- (b) These applications are considered once each month by the Grants in Aid Committee. Applications must reach the Social Development Office at least two (2) months prior to the event; to allow for consideration by the Grants in Aid Committee and processing by various departments where applications have been approved.
- (c) Applicants are required to complete an application form and submit it with all relevant documentation, as stipulated on the application form, before they can be considered for funding.
- (d) A maximum Grant in Aid allocation per organization shall not exceed **R50 000, 00 per year. This excludes bursary beneficiaries due to higher education costs.** Individuals or organizations approved for once-off will not be considered for annual funding in the same financial year.

5.2~~(2)~~ Annual Grant in Aid

- (a) Applications are invited on an annual basis. Applications for Annual Grant in Aid shall open on the 1st July and close on the 31 October of each financial year.
- (b) Applicants are required to complete an application form and submit it with all relevant documentation before the closing date.
- (c) A maximum Grant in Aid allocation per organization shall not exceed **R100 000, 00 per year.**

6. SPECIAL PROVISIONS

Special provisions shall be made in the allocation of Grant in Aid funds for the following:

- (a) Grading and cleaning of community sports fields.
- (b) Emergency and disaster relief.
- (c) Capacity building workshops for funded and unfunded organizations.
- (d) Grant in Aid community awareness presentations.
- (e) Housing Transfer Costs for orphaned children (*depending on budget availability*).

- (f) Assistance for persons with disabilities.

CHAPTER 3

7. APPLICATION REQUIREMENTS

Applicants must meet the following requirements:

- (a) All applications for grant-in-aid must be submitted on the prescribed application form, available from the Department Community Development Services.
- (b) All applications must reach the Department Community Development Services of Mogale City Local Municipality on/or before the specified closing date (**31 October for annual applications**)
- (c) Proof of utilization of grant funding to be submitted by previous beneficiaries.
- (d) Proof of residential address of 2 members of the project committee (e.g. Chairperson & Treasurer), signatories to the project bank account, or a letter from the Ward Councillor;
- (e) Signed letter of recommendation from the ward councillor.
- (f) Allow for inspection of the Project and related records by Municipal Officials, Ward Councillors and Members of the respective Portfolio Committees for purposes of monitoring.
- (g) Declare any other funding received from the Private Sector or other levels of Government.
- (h) In the case of individual applications, declare and submit proof of total household income per annum.
- (i) The applicant must indicate/declare any previous benefits from MCLM grant in aid and the date thereof.
- (j) An applicant will not benefit as part of an organization and on an individual capacity separately at any given period.
- (k) The grant in Aid committee will only consider funding for organizations or SMME`s that have been operational for not less than 12 months. These should comply with all legislative prescripts of their sector.
- (l) The Grant in Aid committee may not fund everything requested by the applicants but will use its own discretion depending on the availability of funds.
- (m) All applications for Grant in Aid must be accompanied by the latest Municipal account of services. Applicants who own properties and are not paying Municipal services will not be eligible for funding or must first settle the debt. Applicants from approved Indigent households will qualify for funding.
- (n) When an application comes with incomplete documents as per checklist attached to the application form, it will be disapproved.
- (o) In case of IT requirements by the applicants, laptops will not be approved except for students who are being funded by the Mogale City Grant in Aid programme.
- (p) Applications for overseas trips must be accompanied by certified copies of pay slips and 3 months bank statements of either applicant or both parents/guardians in cases of minors. ~~(Household income should not exceed R360 000.00 per annum)~~
- (q) In order to qualify for grant in aid funding, applicants must come from families with a combined annual household income of not more than R350 000.00.
- (q) Applicants who are already benefiting as MCLM service providers will not be considered for Ggrant in Aid funding.
- (r) Mogale City Local Municipality reserves the right of adjudication over applications.

- (s) The Grant in Aid Committee will not fund applications for structural repairs or upgrade of buildings not owned by MCLM.
- (t) All applications shall be formally registered, highlighting the applicant's name and date of submission.

NB. The Municipality reserves the right to require the amalgamation of groups where activities are similar and/or occur in a common area.

CHAPTER 4

8. PROCESS FOR APPLICATIONS

(1) COMPOSITION OF COMMITTEE MEMBERS

(a) Registered Grant-in-aid applications will be adjudicated by the grant-in-aid committee consisting of the following members:

~~(i) Political Structure~~

~~Portfolio Head—Health and Social Development Chairperson~~

~~Portfolio Head—Sport, Arts, Culture and Recreation~~

~~Portfolio Head—Economic Development Services~~

~~Portfolio Head—Integrated Environment Management~~

~~Portfolio Head—Financial Services Department~~

~~(ii) Administrative Support~~

Executive Manager – Community Development Services - Chairperson

Executive Manager – Integrated Environmental Management.

Executive Manager – Economic Development Services

Manager- Sport, Arts, Culture and Recreation

Representatives from: -

Department - Financial Services

Office of the Executive Mayor

(2) GRANT IN AID MEETINGS

- (a) Through the Executive Managers, the Grant-in-aid Committee may co-opt additional team members from departments as may be necessary for investigations, advice, support and input.
- (b) Where for reasons beyond their control, the Executive Managers cannot attend, they should appoint a manager or senior official who will always attend and not miss committee meetings.
- (c) If a member of the Grant-in-aid Committee has personal interest in a particular application, they should declare their interest and recuse themselves from decision-making on the particular application.
- (d) Meetings of the grants-in-aid committee shall be:
 - (i) Scheduled to take place monthly,
 - (ii) Have minutes and filed for future reference and auditing purposes.
- (e) A quorum for the Grant in Aid committee meeting shall be formed when five (5) members are present. ~~three (3) of whom must be councillors.~~

(3) PAYMENTS FOR SUCCESSFUL APPLICATIONS

- (a) Payment of grant-in-aid will occur:
 - (i) Post approval by the Municipal Manager, except for once-off grants-in-aid received during the course of the financial year.
 - (ii) An update on once-off allocations by the Grant-in-aid committee will be addressed through a separate report to the Portfolio Committee and Mayoral Committee.
- (b) The municipality will not give successful applicants cash, cheques or deposit the approved amounts into their bank accounts. The municipality will buy equipment and the necessary resources on behalf of the organization.
- (c) Previous applicants will only be considered after every three (3) years provided there is accountability of the previous allocation and subject to budget availability.
- (d) In the unfortunate situation where the organization disband or is no more fulfilling its intended objectives, the municipality has a right to repossess the assets bought through Grant in Aid and re-allocate them to another organization with similar objectives.

(4) PHASES FOR APPLICATIONS MONITORING

Phase 1: Preparation for the application process

- ~~(a) Briefing of Portfolio Committee~~
- ~~(b) Information sessions for Ward Committees and/or Ward Councillors.~~
- ~~(c) Print Media Publication/notice boards.~~

~~Phase 2: Management of Applications~~

- ~~(a) Completion of application forms by individual or group applicants.~~
- ~~(b) Ward Councillor's signed letter of recommendation.~~
- ~~(c) Assistant Manager's comment and signature; (Social Worker, Sport, Arts, Culture & Heritage, SMMEs, Tourism, Environment Management).~~

Phase 3: Adjudication and allocation of grants in aid

- ~~(a) Adjudication of applications in line with the criteria.~~
- ~~(b) Allocation of grant in line with the criteria.~~
- ~~(c) Submission of adjudicated annual grant in aid to the Municipal Manager for approval.~~

Phase 4: Training

- ~~(a) Workshop for the successful applicants on Project related and finance management skills.~~

Phase 5: Monitoring and Evaluation (quarterly on a financial year cycle)

Grant-in-aid Policy review: 2024/2025

- ~~(a) Monitoring and evaluation on the usage of funding, financial statements and the impact of the project/programme – Grant-in-Aid committee, Project managers and Assistant Managers~~
- ~~(b) Quarterly progress reports to the Health and Social Development Portfolio Committee.~~

5.4. ADJUDICATION CRITERIA

- (a) Organizations based in Mogale and serving the needs and interests of the communities in Mogale City.
- (b) Organizations whose activities are supporting the IDP's and SDBIPs of ~~Mogale City~~ **MCLM**.
- (c) Consideration of the merits of each case in the light of the availability of funds.
- (d) Sustainability of the organization and projects specified for grant funding.
- (e) Performance record in relation to funds previously allocated.
- (f) Compliance to application requirements in terms of: -
 - (i) Completion of an application form, with necessary supporting documents.
 - (ii) Recommendation by the Ward Councillor and the Specialist in the respective field.
- (g) Applications from individuals participating in school or club sport, arts, culture, heritage or recreation activities must be accompanied by documentation from the official body verifying the authenticity of the request.
- (h) Priority consideration will be given to 1st time applications, considering compliance to all Policy and Legislative requirements.
- (i) Early Childhood Development Centres must have a Health Certificate/permit in order to be considered for funding.

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CHAPTER 5

FUNDING ALLOCATION

9. ~~PERCENTAGE~~ DIVISION OF FUNDING

(1) *Percentage division of funding is subject to:*

- (a) The socio-economic and political imperatives of the period.*
- (b) Priority areas and percentage division are therefore subject to change as determined and approved by the Grant in Aid Committee.*

(2) *Priority allocations will be as follows:*

- (a) 30% towards Annual applications (*application request above R50 000*).
- (b) 10% towards Grading and cleaning of informal community sport fields.
- (c) 50% towards Once –off grants for individuals and group qualifying according to the Criteria and not funded from the annual grants in aid (mid-year, post annual allocations). This will include Bursaries for tertiary students, schooling for learners with special needs and housing transfer costs for orphaned children.
- (d) 5% towards Training of organizations both funded and not funded through Grant in Aid.

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(e) 5% towards emergency relief.

(3) NB. Of the total allocations, attention will be given to the proportional allocation per area, taking into consideration the population size plus the number of wards.

(4) Mogale City reserves the right to procure equipment/goods in lieu of the cash awarded.

(5) Organizations found to effect name changes in order to manipulate the grants-in-aid system, will not be funded.

(6) It remains the prerogative of the Municipality to allocate funding outside the stipulations of the funding criteria, provided the deviation applied will benefit the Municipality and/or local communities and will be reported to the Mayoral Committee.

10. EXTENDED POLICY PROVISIONS ON BURSARIES

(a) Financial support towards bursaries will be focused on tertiary education; that is *in lieu* of government support programmes already in place.

(b) Students studying at private institutions will not qualify for assistance under this Policy except funding for learners with special needs in registered public and or private institutions.

(c) The Grant in Aid Policy confines itself to funding undergraduate studies. Priority will be given to first time post matric qualifications.

(d) Learners with special needs will be considered for funding from primary school to tertiary level.

(e) A combined parent/s or guardian/s income must not exceed R350 000.00 per annum.

(f) Allocations will be made in a way that will sustain a student's stay at the tertiary institution and receipt of the year-end results. In other words, allocation will cover the main tertiary costs in the form of tuition, books, and accommodation. ~~including learners with special needs.~~

(g) Beneficiaries of grant-in-aid bursaries will be required to submit results annually.

(h) Assistance for second and further years of study will be considered subject to the student passing and being accepted for the following year of study.

(i) The Municipality's Grant in Aid programme shall not cover fees of subjects to be repeated.

(j) The Grant in Aid Policy will not cover shortfall for students who are already recipients of other funding except in cases where parents/guardians paid for the initial fees.

(k) A home circumstances report from a social worker shall accompany all applications for bursaries.

(l) Applicants that will be eligible for Grant in Aid bursary must be between the ages of 16 years to 40 years.

(m) Mogale City Local Municipality EPWP beneficiaries are permitted to apply for Grant in Aid bursary funding and will be assessed in terms of the Policy.

NB. The Municipality reserves the right to assess professional skills highly in demand, scarce or in line with the strategic objectives of the Municipality within its jurisdiction, at any given point in time, and therefore channel funding for professional studies towards the prioritized areas of study. This Clause is included taking into consideration that the definition of scarce skills may change from time to time.

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CHAPTER 6

11. POLICY IMPLEMENTATION

(1) The following departments will be responsible for Policy Implementation:

(a) Community Development Services:

- (i) Coordinate and guide the implementation of the policy. Develop administrative guidelines that will guide the implementation of the policy.
- (ii) Receives applications and coordinate relevant Municipal officials to conduct assessment and verification of information provided by the applicants.
- (iii) Submit the applications together with supporting documents and /or reports to the Grant in Aid Committee for consideration.
- (iv) Prepare requisitions and submit such to the Department-Financial Services for payment.
- (v) Send communication to applicants informing them about the outcome of their application.

(b) Financial Services:

- (i) Allocate an official to participate in the Grant in Aid Committee for purposes of guidance on budget and expenditure.
- (ii) Pay grant in aid as approved by the Grant in Aid committee

12. SOURCE OF FUNDING

(a) Mogale City Local Municipality will serve as the source of funding, as per the approved, annual Operational budget for grants-in-aid, approved by the Mayoral Committee and the Council.

13. MONITORING AND EVALUATION

- (a) The Grant in Aid Committee shall guide the implementation of the policy.
- (b) Social Development will monitor funded applicants as part of the NGO support and monitoring programme.
- (c) Members of the Grant in Aid Committee from other Departments must submit their monitoring reports on funded organizations/businesses to Social Development quarterly.
- (d) ~~Approved organizations are expected to submit reports on the utilization of allocated funds.~~
- (e) The Department Community Development Services will conduct site visits to the organizations to monitor, identify challenges and provide support and training.
- (f) Quarterly progress reports on the implementation of the Grant in Aid Programme will be submitted by the Department Community Development Services to the Health and Social Development Portfolio Committee.

14. POLICY REVIEW

- (a) The Department, Community Development Services shall coordinate and annually submit proposed Policy changes to Council for approval.

15. AUDITING

- (a) Auditing will be conducted as per the audit plan of the Internal Audit Section.

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