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GLOSSARY OF TERMS

Applicant

An applicant is an organisation who is applying for state funding to provide services at provincial and/or local level to, groups and communities in line with identified priorities and who has a banking account.

Service Plan

A service plan is a written document that sets out the particulars of the applicant, the details and envisaged outcomes of the service / project that is being / will be implemented, the estimated costs, and the financing that is requested. In other words, a Service Plan is an application form for state financing.

Funding Agreement

It is a legal contract between the Organisation and the Department that spells out the terms for funding, the level at which services should be provided, the type of services to be funded, the amount, the frequency of funding and the period for which funding is approved and any other condition that may be deemed necessary.

PUBLIC FINANCE MANAGEMENT ACT of 1999

The Public Finance Management Act promotes the objective of transparent financial management in order to maximise delivery through the efficient and effective use of limited resources.

N.P.O ACT

The Non-profit Organisation's Act of 1997 encourages and support non-profit organisations in their contribution towards meeting the many needs of the Republic of South Africa's diverse population by:

Encouraging Non-profit Organisations to accept the responsibility of ensuring that they respond to and maintain high standards of practice in: good governance; effective management; optimisation of resources; successful fundraising; productive relationships with government, beneficiary communities, donors, sponsors, and the general public; careful administration of their organisations; and ethical behaviour.

In the interest of good governance all organisations applying for funding should be registered in terms of the NPO ACT.

1 GUIDELINES TO ACCESS FUNDING

1.1 INTRODUCTION

The legislation mandates the Department of Social Services and Population Development to carry out specific statutory services.

These statutory functions defend the rights of both adults and children.

Non statutory services refer to activities carried out by the Government, Non – Profit Organisations and Faith Based Organisations. These services are intended to alleviate poverty by providing services or carrying out programmes designed to assist vulnerable groups including orphans, street kids, the elderly, disabled etc.

Government must take the lead in ensuring basic social service to the poor, especially women, children and families if the vision for equal access to services and equity in favour of the poor are to be realised. Government alone cannot offer all the services. The Department can only do this in partnership with the non- governmental sector.

2 PRIORITIES THAT MAY BE FUNDED

This is in terms of the Presidential, National and Provincial Minister's priorities. Local needs and vulnerable groups are also take into account.

Your programme or service delivery plan should address some or all of the priorities outlined below.

- 1. Rebuilding of family , community and social relations.**
- 2. Poverty eradication.**
- 3. Respond to all forms of violence against women and children.**
- 4. Support for people living with HIV \ AIDS a well as those affected such as AIDS orphans.**
- 5. Reduce youth criminality and youth unemployment.**
- 6. Services to people with disabilities.**
- 7. Services to older persons.**

3 WHO CAN APPLY FOR FUNDING?

Applicants that provide services at , provincial and/or local level to groups and communities in line with identified priorities .

Potential applicants may be, Not for Profit Organisations (i.e. non-governmental organisations (NPO's), community-based organisations, Welfare organisations) & faith based organisations.

THE ORGANIZATION SHOULD:

- **Represent an organised membership drawn from a defined local community.**
- **Be committed to addressing important development needs of the community.**
- **Be involved in organising the community around common development needs.**
- **Have a constitution or an agreed set of procedures which-defines who the CBO\NPO is accountable to and how the organisation works.**
- **Have an executive committee or management committee that is responsible for making sure that the activities or projects of the CBO\NPO are managed well.**
- **Be involved in accessing resources to meet local development needs.**
- **Be involved in planning and implementing development projects that address the needs of a local community.**

3 1 HOW DO YOU APPLY FOR FUNDING ?

- **SUBMISSION OF A SERVICE PLAN TO YOUR NEAREST REGIONAL OFFICE**

- **A CONSTITUTION**

- **REGISTRATION CERTIFICATE OR PROOF OF REGISTRATION** in terms of the Non-profit Organisations Act, 1997, or any other legislation regulating a specific type of service.
These documents will be submitted to the Decentralised Offices/Regional Offices for assessment by a panel and for recommendations to the Head Office.

- **SUBMISSION OF A RECENT INCOME AND EXPENDITURE STATEMENT\AUDITED FINANCIAL STATEMENT.**

On-site visits will also be conducted.

(Attached is a copy of the of service plan format, draft Constitution and registration forms for application as an NPO.

When the Department makes a decision about which organisation and service to finance, the Department will look at the following:

- effectiveness and relevance of expected outcomes
- social integration, diversity and equity
- services must be curative, preventative, developmental and rehabilitative.
- the integration of Special Developmental areas(HIV/AIDS, poverty alleviation, crime prevention, substance abuse, survivor support and development, disability and special protection) in all service levels
- services that help in the re-allocation of resources to ensure more equity
- networking between organisations

- Organisational effectiveness
- Sustainability. The organisation must state how it will diversify its funding without the need for additional funds from the Department.
- Appropriateness and transparency of programmes.
- Accessibility of programmes to all.

It will not be looking at:

- the number of people served only
- how long an organisation has operated
- racially based programmes
- narrowly specialist services
- services that continue the unequal distribution of welfare services, particularly in urban areas
- services which are isolated from other services

ONCE FUNDING IS APPROVED THE FOLLOWING NEEDS TO TAKE PLACE

➤ **SIGNING OF THE FUNDING AGREEMENT:**

The purpose of the funding agreement is to give effect to the Public Finance Management Act No 1 of 1999.

➤ **SUBMISSION OF A LETTER OF ASSURANCE:**

Before transferring any funds to NPO's, the Department must obtain a written assurance, that the Organisation implements effective, efficient and transparent financial management and internal control systems. In the case where a written assurance cannot be obtained from the organisation, conditions and remedial measures must be put in place within a timeframe agreed between the Department and the Organisation.

➤ **PROGRESS REPORTS:** To be submitted quarterly. The staff at the Decentralised offices will assess the progress reports and discuss any areas of concern with the respective NPO's and determine a time frame for corrective measures.

➤ **CLAIM FORMS\REGISTERS:** These are to be submitted by the 7th day of each month to the DSO.

➤ **AUDITED FINANCIAL STATEMENTS:** These are to be submitted six months after the end of the financial year which is the end of September of each year. State Subsidy is public money and organisations need to account. Failure to submit can result in funds being withdrawn.

IF FUNDING IS NOT APPROVED

If financing is not approved, the NPO will be informed about the decision and the reasons thereof. If the organisation's objectives are not within the Department's mandate, the organisation will be referred to the relevant Department.