
**GARIEP LOCAL MUNICIPALITY
DONATIONS, SPONSORSHIPS AND GRANTS POLICY**

1. INTRODUCTION

- 1.1 Gariep Local Municipality (the Municipality) from time to time wishes, on its own initiative, or when approached by a person or organisation, to make a donation, grant a sponsorship or award a grant to such person or body. However, in the interest of sound financial governance and consistent decision-making, the Municipality should have a policy in this regard to ensure that all cases are treated equitably and consistent with the laws concerned.
- 1.2 The power to make, grant or award (or not to make, grant or award) donations, grants and sponsorships, as the case may be, can be a powerful instrument for dispensing favours and purchasing goodwill. Therefore, the grant policy and procedures of the Municipality must, as far as is reasonably possible, reduce the opportunity for questionable decisions to be taken. The most effective ways of reducing the opportunity for dishonest practices is –
- 1.2.1 to ensure that decision-making, systems and procedures are transparent; and
 - 1.2.2 that adequate and appropriate reporting and accountability measures are in place and consistently enforced.
- 1.3 Donations, grants and sponsorships are not limited to cash payments but may include –
- 1.3.1 donating assets of the Municipality to a person or institution; and
 - 1.3.2 making donations in kind, e.g. rendering some form of assistance to a person or institution at the Municipality's cost, i.e. without charging the beneficiary of the assistance.

2. LEGAL FRAMEWORK

2.1 General legal principle

- 2.1.1 Pursuant to the judgements handed down by the Supreme Court of Appeals in Gerber and Others v MEC of Gauteng for Development Planning and Local Government and Eastern Gauteng Services Council (Case No 303/2001), 26 September 2002 and the Constitutional Court in Fedsure Life Assurance v Greater Johannesburg Transitional Metropolitan Council and Others 1999 (1) 374 (CC) it is imperative that the Municipality must ensure that its decisions and actions comply with the relevant legal prescripts.
- 2.1.2 It is, therefore, necessary for this policy to be prefaced with an exposition of current statutory law regulating its subject matter.

2.2 Constitution of the Republic of South Africa 1996

The Constitution of the Republic of South Africa 1996 (the Constitution) does not expressly regulate the expenditure powers of municipalities. However, such regulatory provisions are implied in section 195 of the Constitution, which contains the principles governing public administration in South Africa. Section 195 of the Constitution contains, amongst others, the following principles that are relevant for the subject matter of this policy –

- (a) Efficient, economic and effective use of resources must be promoted.
- (b) Public administration must be accountable.

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- (c) Transparency must be fostered by providing the public with timely, accessible and accurate information.

2.3 Local Government: Municipal Systems Act 2000 (Act No 32 of 2000)

Supplementary to the principles contained in the Constitution, the Local Government: Municipal Systems Act 2000 (Act No 32 of 2000) (the Municipal Systems Act) also contains prescripts that are relevant for this policy. Section 5 of the Municipal Systems Act, for example, states that communities within the Municipality have a right to demand that the Municipality's business is conducted in a manner untainted by self-interest and without prejudice. Communities are also entitled to be informed of decisions of the Municipality's political structures and political office-bearers that affect their rights, property and reasonable expectations. They are, furthermore, entitled to regular disclosure of the state of affairs of the Municipality, including its finances and they may demand that the proceedings of the Council and those of its committees must be open to the public, conducted impartially and without prejudice and untainted by personal self-interest.

2.4 Local Government: Municipal Finance Management Act 2003 (Act No 56 of 2003)

2.4.1 In terms of section 15 of the Local Government: Municipal Finance Management Act 2003 (Act No 56 of 2003) (the MFMA) the Municipality may incur expenditure only in terms of an approved budget and within the limits of the amounts appropriated under the different votes of an approved budget. An expense is irregular if it was incurred in contravention of, or that not in accordance with, a requirement of the MFMA. An expense is unauthorised if –

- (a) it was incurred contrary to section 15 of the MFMA;
- (b) if it results in overspending of the total amount appropriated in the approved budget;
- (c) if it results in overspending of the total amount appropriated for a vote in the approved budget;
- (d) if it is unrelated to the department or functional area covered by the vote;
- (e) money appropriated for a specific purpose is spent otherwise than for that specific purpose;
- (f) the Municipality makes a grant otherwise than in accordance with the MFMA (see par 2.7 below).

2.4.2 In terms of section 32 of the MFMA irregular and unauthorised expenses must be recovered from the person liable for it.

2.4.3 Section 14 read with section 110(3) of the MFMA regulate the disposal of the Municipality's assets¹. The general scheme of section 14 of the MFMA is that only the

¹ The MFMA does not define the expressions "asset", "capital asset" or "movable capital asset". Some ordinary dictionary meanings of the expression "capital asset" are as follows:

- ⇒ Tangible property, including durable goods, equipment, buildings, installations and land
- ⇒ Assets of a permanent nature used to produce income, such as machinery, buildings, equipment, land, etc
- ⇒ An asset acquired as an investment, for the purpose of creating a product or service intended to be used in the activities or operations of a business

GAMAP 6 defines "assets" as resources controlled by an entity as a result of past events and from which future economic benefits or service potential are expected to flow to the entity, whilst GAMAP 17 refers to "property, plant and equipment" as being tangible assets that are held by an entity (municipality) for use in the production or supply of

Council may decide to dispose of a capital asset if its disposal will result in transfer of its ownership, whilst it may delegate the authority to the Municipal Manager to dispose of movable capital assets up to a value determined by the Council. The fundamental principle laid down in the section is that transfer of ownership of capital assets (including movable capital assets which the Municipal Manager may dispose of) must be fair, equitable, transparent, competitive and consistent with the Municipality's supply chain management policy, except if the capital asset is transferred, in accordance with a prescribed framework, to another municipality, a municipal entity or a national or provincial organ of state in circumstances and in respect of categories of assets approved by the National Treasury.

2.4.4 Section 67 of the MFMA determines as follows -

"67(1) Before transferring funds of the municipality to an organisation or body outside any sphere of government otherwise than in compliance with a commercial or other business transaction, the accounting officer must be satisfied that the organisation or body-

- (a) has the capacity and has agreed-
 - (i) to comply with any agreement with the municipality;
 - (ii) for the period of the agreement to comply with all reporting, financial management and auditing requirements as may be stipulated in the agreement;
 - (iii) to report at least monthly to the accounting officer on actual expenditure against such transfer; and
 - (iv) to submit its audited financial statements for its financial year to the accounting officer promptly;
- (b) implements effective, efficient and transparent financial management and internal control systems to guard against fraud, theft and financial mismanagement; and
- (c) has in respect of previous similar transfers complied with all the requirements of this section.

(2) If there has been a failure by an organisation or body to comply with the requirements of subsection (1) in respect of a previous transfer, the municipality may despite subsection (1)(c) make a further transfer to that organisation or body provided that-

- (a) subsection (1)(a) and (b) is complied with; and
- (b) the relevant provincial treasury has approved the transfer.

(3) The accounting officer must through contractual and other appropriate mechanisms enforce compliance with subsection (1).

(4) Subsection (1)(a) does not apply to an organisation or body serving the poor or used by government as an agency to serve the poor, provided-

goods or services, for rental to others, or for administrative purposes and are expected to be used during more than one reporting period.

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- (a) that the transfer does not exceed a prescribed limit; and
 - (b) that the accounting officer-
 - (i) takes all reasonable steps to ensure that the targeted beneficiaries receive the benefit of the transferred funds; and
 - (ii) certifies to the Auditor-General that compliance by that organisation or body with subsection (1)(a) is uneconomical or unreasonable".

2.4.5 Clearly this section of the MFMA regulates grants made or contemplated to be made by municipalities. The section imposes stringent conditions and limitations on the making of grants. First, it appears to imply that grants may only be made to organisations or bodies (i.e. groups of persons and not individual persons). It implies, second, that there must be an agreement (although the MFMA does not expressly require this, it is assumed that it must be a written agreement) between the Municipality and the beneficiary and that such an agreement must regulate specified terms and conditions, as well as the application of its provisions. The only exception to the contractual condition is when the beneficiary organisation/body is "... serving the poor ..." in which case different conditions apply.

2.5 Municipal Supply Chain Management Regulations 2005 (Government Notice No 868 of 30 May 2005)

Regulation 40 of the Municipal Supply Chain Management Regulations 2005 regulates the content of the Municipality's supply chain management policy insofar as it relates to the disposal and letting of assets. It dictates that a supply chain management policy must, amongst other things, -

2.5.1 specify the ways in which assets may be transferred to another organ of state at market related value or, when appropriate, free of charge; and

2.5.2 stipulate that -

- (a) immovable property may be sold only at market related prices except when the public interest or the plight of the poor demands otherwise;
- (b) in the case of the free disposal of computer equipment, the provincial department of education must first be approached to indicate within 30 days whether any local schools are interested in the equipment; and
- (c) in the case of the disposal of firearms, the National Conventional Arms Control Committee has approved any sale or donation of firearms to any person or institution within or outside the Republic.

2.6 Local Government: Municipal Structures Act 1998 (Act No 117 of 1998)

Section 88 of the Local Government: Municipal Structures Act 1998 (Act No 117 of 1998)(the Municipal Structures Act) demands, in principle, that municipalities must cooperate with each other by assisting and supporting each other. A local municipality may, on request of a district municipality in whose area it falls (i.e. the municipality with whom it shares legislative and executive authority, as indicated in section 155(1)(b) of the Constitution), provide financial, technical and administrative support services to that district municipality to the extent that that local municipality has the capacity to provide those support services. A local municipality may also provide financial, technical or administrative support services to

another local municipality within the area of the same district municipality to the extent that it has the capacity to provide those support services, if the district municipality or that local municipality so requests.

3. POLICY OBJECTIVES

The objectives of this policy are -

- (a) To ensure that any grant, sponsorship or donation made by the Municipality is at all times consistent with the relevant statutory framework;
- (b) To ensure that decision-making regarding grants, sponsorships and donations are as transparent as is reasonably possible;
- (c) To contribute to the achievement of the Municipality's objectives as set out in the integrated development plan (IDP);
- (d) To mitigate the consequences members of the local communities have to suffer if they have been adversely affected by disaster or calamity;
- (e) To promote sports and cultural development in local communities; and
- (f) To provide financial assistance to charitable and community organisations as well as non-profit organisations.

4. SCOPE OF THE POLICY

This policy does not regulate –

- 4.1 the disposal of dead bodies or the burial or cremation of unclaimed dead bodies;
- 4.2 the rendering of assistance, whatever its form, to indigent persons; and
- 4.3 the granting of bursaries for academic purposes to an employee or any other person.

5. PROHIBITED PRACTICES REGARDING GRANTS, DONATIONS AND SPONSORSHIPS

5.1 No grant, donation or sponsorship (whether in cash or in kind) shall be made by or on behalf of the Municipality –

5.1.1 contrary to this policy and any relevant legislation, including a bylaw of the Municipality;

5.1.2 to or for the benefit of an individual natural person, except –

- (a) an *ex gratia* payment to provide relief to a household suffering the consequences of disaster or calamity;
- (b) a sponsorship to a local resident, who has been selected to participate or compete as an amateur member of a national sports team at international level; and

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- (c) a sponsorship to a local resident, who is a learner at a local education institution² and who has been selected to participate or compete at national or international level in a sports, cultural or academic competition or activity;
- 5.1.3 to a commercial undertaking or corporate entity, except as a contribution towards a fund-raising initiative by such entity for the benefit of the poor;
- 5.1.4 if incurring the expense concerned shall result in irregular, unauthorised or fruitless and wasteful expenditure;
- 5.1.5 to any institution with membership that excludes any person from membership or from participating fully in the activities of such institution on any prohibited ground contemplated in section 1 of the Promotion of Equality and Prevention of Unfair Discrimination Act 2000 (Act No 4 of 2000);
- 5.1.6 towards the recording, printing, duplication, publication or distribution of any print matter or music authored, made or recorded on her/his own initiative, by an individual or group of persons;
- 5.1.7 to an organisation of persons, whether registered or not, unless it has a current authorisation in terms of section 4 or 6 of the Fund-raising Act 1978 (Act No 107 of 1978);
- 5.1.8 to a political party as defined in section 1 of the Electoral Commission Act 1996 (Act No 51 of 1996);
- 5.1.9 unless such donation, sponsorship or grant shall clearly and demonstrably contribute to the achievement of the Municipality's objectives set out in its approved integrated development plan;
- 5.1.10 an employee of any institution to which the Public Finance Management Act 1999 (Act No 1 of 1999) or the MFMA applies or a close family member of such employee or such employee's life partner or spouse³ or a close family member of such life partner or spouse or such employee's business associate or a close family member of such a business associate; or
- 5.1.11 a councillor of any municipality, a member of any provincial legislature or Parliament or a close family member of such councillor or member or such councillor's or member's life partner or spouse or a close family member of such life partner or spouse or such councillor's or member's business associate or a close family member of such a business associate; or
- 5.1.12 an employee or a director of any municipal entity or a close family member of an employee or director of such entity or enterprise or the life partner or spouse of such employee or director or a close family member of the life partner or spouse of an employee or director of such entity or enterprise.
- 5.2 No cash grant, donation or sponsorship shall be made –
- 5.2.1 to an institution to which the Public Finance Management Act 1999 (Act No 1 of 1999) applies;

² In this policy, unless the context indicates otherwise, "local education institution", means a "school" as defined in the South African Schools Act 1996 (Act No 86 of 1996) and a "higher education institution" as defined in the Higher Education Act 1997 (Act No 101 of 1997)

³ In this policy, unless the context indicates otherwise, "spouse" includes a spouse in a marriage or a partner in a civil union in terms of the Civil Union Act 2006 (Act No 17 of 2006) and a man and a woman in a customary union.

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- 5.2.2 to finance or partly finance a proposed commercial initiative; and
 - 5.2.3 to a trade union representing employees of the Municipality.
- 5.3 A cash or non-cash grant-in-kind may be made –
- 5.3.1 to any local amateur sports body, including a sports team of a local education institution, provided that where such grant includes transportation with a vehicle of the Municipality to an event, the manager of the body or the principal of the institution, as the case may be, shall in writing indemnify the Municipality against any claims;
 - 5.3.2 to a local education institution;
 - 5.3.2 to another municipality, limited to the free use of personnel or assets of the Municipality;
 - 5.3.3 to a trade union representing employees of the Municipality, limited to the free use of municipal facilities in addition to such facilities as may have been determined in terms of a collective agreement;
 - 5.3.4 to the South African Local Government Association, limited to the occasional free use of municipal facilities and personnel, provided that in the latter instance the prior written approval of the Municipal Manager must be obtained; and
 - 5.3.5 towards the hosting, locally, of a national or international cultural or amateur sports event or exhibition, trade fair, show or like event.
- 5.4 A councillor or official may not promise, pledge or undertake to make, award or grant a donation, grant or sponsorship, as the case may be, to any natural or juristic person or other organisation of persons –
- 5.4.1 if she/he does not have the authority to authorise the expense concerned;
 - 5.4.2 during a financial year succeeding a current financial year; and
 - 5.4.3 knowing that the appropriation in the current budget for discretionary donations, grants and sponsorships has been exhausted.

6. GRANTS, DONATIONS AND SPONSORSHIPS MADE TO CHARITABLE, COMMUNITY, NON-GOVERNMENTAL AND NON-PROFIT ORGANISATIONS

6.1 Principles

A grant, sponsorship or donation (hereafter referred to as a grant) to a charitable, community, non-governmental or non-profit organisation (hereafter referred to as an organisation) may only be made if the Municipality or the local communities within the Municipality will benefit from it. The Council shall determine whether the Municipality or local communities shall benefit from a grant, sponsorship or donation. The Council's determination in the matter shall be final.

6.2 Beneficiaries

- 6.2.1 Grants shall be considered in respect of a specific programme of an organisation. Grants to such organisations shall not be considered or paid to –
- (a) pay or partly pay salaries or honoraria to employees, volunteer workers or board members;
- or

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- (b) fund or partially fund the costs involved in managing and operating the organisation.
- 6.2.2 No councillor or a councillor's close family member, business associate, spouse or life partner may benefit directly or indirectly from a grant made to an organisation.
- 6.2.3 A grant made by the Municipality may only be paid out if the Municipal Manager is satisfied that the recipient organisation –
- 6.2.3.1 implements effective, efficient and transparent financial management and internal control systems to guard against fraud, theft and financial mismanagement; and
- 6.2.3.2 has the capacity and has agreed in writing –
- (a) to comply with any agreement regarding the grant with the Municipality;
 - (b) for the period of the agreement to comply with all reporting, financial management and auditing requirements as may be stipulated in the agreement;
 - (c) to report at least monthly to the Municipal Manager on actual expenditure against such transfer; and
 - (d) to submit its audited financial statements for its financial year promptly to the Municipal Manager
- unless –
- (i) the grant is made to an organisation serving the poor;
 - (ii) the amount of the grant does not exceed an amount determined by the Minister of Finance; and
 - (iii) the Municipal Manager takes all reasonable steps to ensure that the targeted beneficiaries receive the benefit of the transferred funds.
- 6.2.4 Whenever it appears to the Municipal Manager that the intended beneficiaries of a grant in terms of this paragraph do not receive the benefit of the grant concerned, she/he –
- (a) shall require the accounting officer of the recipient organisation to report in writing regarding the utilisation of the funds;
 - (b) may stop further payments from the allocation, if any, until the matter is resolved; and
 - (c) submit the report contemplated in sub-paragraph (a), together with her/his report and recommendation, to the Council.
- 6.2.5 The Council shall consider the report of the Municipal Manager and –
- (a) issue such instructions regarding the utilisation of the funds as it may determine;
 - (b) may, if any monies were utilised contrary to the grant agreement, demand reimbursement of such amounts as were so used; or
 - (c) cancel the grant and stop the payment of further amounts, if any, to the organisation concerned.

7. TRANSPARENT DECISION-MAKING PROCEDURES

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- 7.1 Transparency is promoted where decisions are taken and reported on in an open manner. This means that the process of making decisions regarding grants should not differ from any other decision-making processes and should be subject to scrutiny like any other decision.
- 7.2 Achieving the required degree of transparency will, more than likely be maximised if the process of considering grants forms an integral part of the budget preparation process. This would require, for example, that the annual budget timetable must provide specifically for the process of considering applications for grants.
- 7.3 The Municipal Manager shall annually, in accordance with the budget timetable, publish a notice in local newspapers and, if practicable, run radio advertisements, inviting organisations to apply for grants for the budget year to which the timetable relates.
- 7.4 An application must be made in the form and specify the information the Municipal Manager requires.

8. INSTITUTIONAL ARRANGEMENTS

- 8.1 The Council shall, together with the approval of the annual budget, -
- 8.1.1 approve a schedule setting out the organisations to which grants shall be made during the budget year and the amounts that each of them would receive; and
- 8.1.2 appropriate funds under an appropriate budget vote for the granting of discretionary grants during the budget year.
- 8.2 The Mayor may, after consultation with the Municipal Manager and the Chief Financial Officer, make a grant from monies appropriated in terms of paragraph 8.1.2.

9. REPORTING AND ACCOUNTABILITY

- 9.1 The beneficiary of a grant has to comply with the provisions of the MFMA with regard to reporting as set out in paragraph 6.2 above.
- 9.2 Any grant, donation or sponsorship made, awarded or granted by the Mayor in terms of paragraph 8.2, shall be indicated clearly in the monthly budget statement contemplated in section 71 of the MFMA.

10. SPONSORSHIPS OF INDIVIDUALS AND AMATEUR SPORTS CLUBS FOR PARTICIPATING IN PROVINCIAL, NATIONAL AND INTERNATIONAL SPORTS EVENTS

10.1. Sponsorship of individual athletes

- 10.1.1 A person that ordinarily resides within the Municipality may apply for a sponsorship to assist her/him to participate in a sporting event at national or international level. An applicant is deemed to be ordinarily resident within the Municipality if -
- (a) she/he has, on the date of the application, ordinarily resided in the Municipality for a continuous period of six months or longer; or
- (b) her/his parents or lawful guardian have, on the date of the application, ordinarily resided within the Municipality for a continuous period of six months or longer if she/he is a learner at an education institution outside the Municipality.

10.1.2 An application in terms of paragraph 10.1.1 must be accompanied by a written declaration of an authorised official of the relevant provincial structure or national control body of the sporting code concerned -

- (a) certifying that the person has been elected to represent the Eastern Cape or South Africa, as the case may be, at a national or international sporting event in the code concerned;
- (b) stating where and when the event in respect of which the sponsorship is requested will take place; and
- (c) indicating what costs related to the event the applicant is responsible for.

10.1.3 An application in terms of paragraph 10.1.1, accompanied by the declaration referred to in paragraph 10.1.2, shall be submitted to the manager responsible for community services. The manager responsible for community services may designate an official assigned to her/his department to investigate an application and shall, upon receiving her/his report, approve or decline the application.

10.2 Sponsorship of amateur and school sports teams to participate in provincial, national and international sporting events

10.2.1 A local amateur sports team may apply for a sponsorship to assist it to participate in a sporting event at provincial, national or international level. A school within the Municipality may submit an application in respect of any sports team of the school to participate in a sporting event at provincial, national or international level.

10.2.2 Application may be made for sponsoring or partly sponsoring the team's cost –

- (a) of transport to the event concerned; and/or
- (b) uniforms to be worn at/during the event; and/or
- (c) accommodation and other subsistence cost at the event.

10.2.3 An application in terms of paragraph 10.2.1 must be accompanied by a written declaration of an authorised official of the relevant provincial structure or national control body of the sporting code concerned -

- (a) certifying that the team has been elected to represent Gariep, the Ukhahlamba region, the Eastern Cape or South Africa, as the case may be, at a provincial, national or international sporting event in the code concerned;
- (b) stating where and when the event in respect of which the sponsorship is requested will take place; and
- (c) indicating what costs related to the event the applicant is responsible for.

10.2.4 An application in terms of paragraph 10.2.1, accompanied by the declaration referred to in paragraph 10.2.3 shall be submitted to the manager responsible for community services. The manager responsible for community services may designate an official assigned to her/his department to investigate an application and shall, upon receiving her/his report, approve or decline the application.

11. ASSISTANCE AND SUPPORT OF OTHER MUNICIPALITIES

11.1 The Municipality may –

- (a) subject to section 33 of the MFMA enter into an agreement with another municipality in terms of which –
 - (i) the Municipality shall provide technical, administrative and financial assistance to such other municipality; or
 - (ii) such other municipality shall provide technical, administrative and financial assistance to the Municipality;
- (b) subject to section 14 of the MFMA donate, sell and transfer ownership, lend or lease a capital asset of the Municipality to another municipality, provided that the selling price or rental, as the case may be, may be a nominal amount; and
- (c) provide technical, administrative and financial assistance to another municipality on an ad hoc/case-by-case/request basis, whether free of charge or for compensation.

11.2 Permission to provide technical, administrative and financial assistance to another municipality in terms of paragraph 11.1(c) shall be granted by the relevant departmental head after consultation with the Municipal Manager.

12. FUNERALS OF SERVING OR FORMER COUNCILLORS AND EMPLOYEES

12.1 The Municipal Manager may, after consultation with the Mayor, whenever a councillor or an employee of the Municipality dies and her/his dead body will be buried in the Municipality –

- (a) fund the purchasing of a grave for the burial from the Municipality;
- (b) fund the grave digging and filling cost charged by the Municipality ; and
- (c) authorise the payment, to a maximum amount determined by the Council from time to time, or part payment of the cost of manufacturing, inscribing and erecting a tombstone on the deceased's grave.

12.2 Any payment in terms of paragraph 12.1 shall be made directly to the relevant service provider.

13. BURSARY SCHEME FOR NON-EMPLOYEES

13.1 Establishment of bursary scheme for non-employees

The Municipality may, from funds appropriated in the annual budget, grant bursaries to qualifying individuals.

13.2 Prohibited bursaries and payments

13.2.1 No bursary shall be granted to -

- (a) an employee or a councillor of any municipality;
- (b) an employee or a director of any municipal entity;
- (c) an employee or member of Parliament or a provincial legislature;
- (d) a public servant; and

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- (e) a member or employee of any board, commission, council or similar body established by statute.

13.2.2 No bursary shall be granted to –

- (a) a close family member of an employee, councillor, board member, commissioner, director or like office-bearer of a body referred to in paragraph 16.1;
- (b) the life partner or spouse (including a civil union partner) or a close family member of the life partner or spouse of an employee, councillor, board member, commissioner, director or like office-bearer of a body referred to in paragraph 16.1; and
- (c) a business associate or a close family member of a business associate of an employee, councillor, board member, commissioner, director or like office-bearer of a body referred to in paragraph 16.1.

13.2.3 No bursary shall be granted –

- (a) for first year studies, except in the case of a learner at a primary or secondary school with special needs;
- (b) for studies at an institution outside South Africa;
- (c) for repeating a subject which the applicant failed;
- (d) for studies at an institution other than an accredited primary, secondary or tertiary education institution;
- (e) for studies required to acquire a prerequisite of the qualification the applicant intends to register for.

13.3 Amount of a bursary

13.3.1 A bursary shall be granted in full or partial payment of a successful applicant's –

- (a) registration fees;
- (b) tuition fees; and
- (c) examination fees.

13.3.2 The actual amount of a bursary for shall be such amount as may be determined by the Municipal Manager.

13.4 Studies for which bursaries may be granted

13.4.1 A bursary may be granted for studies –

- (a) towards the acquisition of a qualification on NQF level 5 or higher; and
- (b) relating to local government in general or the Municipality specifically.

13.4.2 No bursary may be granted for study for the acquisition of credits towards a qualification.

13.5 Requirements

13.5.1 An application for a bursary –

- (a) must be submitted on the prescribed application form; and
- (b) must be accompanied by the documents referred to in paragraph 13.5.2.

13.5.2 Certified copies of the following documents must accompany an application for a bursary –

- (a) a certified copy of the applicant's identity document;
- (b) a certified a statement of the assessment results of any assessment the applicant completed for the year immediately preceding the year in respect of which the application is submitted; and
- (c) a sworn affidavit stating that the applicant is not the holder of a bursary of another institution for the same or another qualification.

13.5.3 The bursar must, as soon as she/he has registered, submit proof thereof to the Chief Financial Officer.

13.5.4 An applicant, or if she/he is a bona fide full-time learner in another place, her/his parent or guardian, must be ordinarily resident within the Municipality. An applicant shall be deemed to be ordinarily resident within the Municipality if she/he, or her/his parent or guardian, has been residing in the Municipality for a continuous period of at least six months immediately prior to the date of the application.

13.6 Preferences

When considering applications in terms of this Chapter, the Municipal Manager shall give preference to -

- (a) applications from persons who are members of indigent households;
- (b) applications from persons from the designated groups as defined in the Employment Equity Act 1998; and
- (a) applications for studies towards acquiring a first tertiary qualification in -
 - (i) civil engineering;
 - (ii) auditing, financial management and accounting;
 - (iii) development planning, development economics and development administration; and
 - (iv) public management.

13.7 Conditions

13.1 The Municipal Manager shall enter into a bursary agreement with every person to whom a bursary has been granted in terms of this policy.

13.2 A bursary agreement shall provide at least for the following:

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- (a) The Municipality shall not be obliged to employ the bursar after completion of her/his qualification.
 - (b) The Municipality may require the bursar to work as an intern in terms of the Municipality's policy on interns/experiential training/learning during holidays.
 - (c) The bursar shall immediately if she/he, for whatever reason, ceases the studies, in respect of which she/he received the bursary, inform the Municipal Manager in writing. If the bursar has ceased her/his studies before an academic year has been completed and her/his progress in respect of that year has not been assessed, the bursar shall immediately reimburse the Municipality any and all payments that the Municipality has made in terms of the bursary, provided that the Municipal Manager may, if the reason for the bursar ceasing her/his studies is severe and enduring illness or injury or death, waive the reimbursement.
 - (d) If, for whatever reason, the actual amount owing to the bursar's service provider in respect of tuition, registration and/or examination fees is less than the amount of the bursary granted, the bursar shall forfeit the difference to the Municipality.

13.8 Payments against bursary

13.8.1 No amount of any bursary shall be paid –

- (a) out unless the bursar has submitted proof that she/he has registered for the qualification in respect of which the bursary was granted; and
- (b) in cash to the bursar.

13.8.2 The bursar shall ensure that all invoices in respect of her/his studies are promptly submitted to the Chief Financial Officer. The Chief Financial Officer shall effect payment of such invoices (subject to the total amount of the bursary granted) directly to the institution that issued the invoice.