

**18.
EXECUTIVE MAYOR'S SPECIAL FUND POLICY****2/B****CC Groenewald
25 May 2017****(028) 313 8003****Municipal Manager**

1. Executive Summary

The purpose of the report is to adopt an Executive Mayor's Special Fund Policy

2. Service Delivery and Budget Implementation Plan - IGNITE

Office of the Executive Mayor
Office of the Municipal Manager

3. Compliance with Strategic Priority/ies

Provision of democratic and accountable governance

4. Delegated Authority

None

5. Legal Requirements

Local Government: Municipal Finance Management Act, No. 56 of 2003 (MFMA)

6. Background

The Executive Mayor receives regularly deserving requests for grants, donations or financial assistance which fall outside of the ambit of the Municipality's Grant-in-Aid Policy. In order to cater for such deserving requests it is necessary to establish a special fund as is provided for in section 12 of the MFMA. This fund will be subject to the provisions of the MFMA as well as the guidelines set out in the attached policy.

7. Financial Implications

It is foreseen that members of the public or organisations will donate money to the fund. Apart from this the Municipality may appropriate to the fund from its annual budget.

The policy furthermore provides that the Council may determine the maximum limit of any grant to be made from time to time.

8. Staff Implications

None

9. Comments from other Departments, Divisions and Administrations

None

10. Annexures

Annexure A: Executive Mayor's Special Fund Policy

RECOMMENDATION TO COUNCIL:that the Executive Mayor's Special Fund Policy **be adopted.****RESPONSIBLE OFFICIAL:****B KING****TARGET DATE FOR IMPLEMENTATION:****1 JULY 2017**

OVERSTRAND MUNICIPALITY



EXECUTIVE MAYOR'S SPECIAL FUND POLICY

OVERSTRAND MUNICIPALITY: EXECUTIVE MAYOR'S SPECIAL FUND POLICY

1. Introduction

An Executive Mayor's Special Fund is herewith established which fund is subjected to the legal framework and guidelines set out below. The Executive Mayor, after consultation with members of a Special Fund Committee to be established by him/her, is authorised to decide on the use of the Fund for grants to exceptional beneficiaries.

2. Legal Framework

Section 12 of the Local Government: Municipal Finance Management Act, No. 56 of 2003, which provides as follows, permits the establishment of a "relief, charitable, trust or other fund" in the name of the Municipality:

"(1) No political structure or office-bearer of a municipality may set up a relief, charitable, trust or other fund of whatever description except in the name of the municipality. Only the municipal manager may be the accounting officer of any such fund.

(2) A municipality may in terms of section 7 open a separate bank account in the name of the municipality for the purpose of a relief, charitable, trust or other fund.

(3) Money received by the municipality for the purpose of a relief, charitable, trust or other fund must be paid into a bank account of the municipality, or if a separate bank account has been opened in terms of [subsection \(2\)](#), into that account.

(4) Money in a separate account opened in terms of [subsection \(2\)](#) may be withdrawn from the account without appropriation in terms of an approved budget, but only—

(a) by or on the written authority of the accounting officer acting in accordance with decisions of the municipal council; and

(b) for the purposes for which, and subject to any conditions on which, the fund was established or the money in the fund was donated."

3. Purpose of Fund

The Fund is created for the purpose of allocating grants by the Executive Mayor at his/her discretion, but after consultation with the Special Fund Committee, in respect of applications made or at the Executive Mayor's initiative in respect of cases set out in the Fund Guidelines.

4. Fund Guidelines

The fund may be used for:

- 4.1 Causes that will promote the profile of the Municipality both nationally and internationally.
- 4.2 Cases of hardship

- 4.3 Emergency/disaster situations where the Municipality has no other provision to cater for the event.
- 4.4 The specific use and conditions as may be set out by a donor to the Fund.
- 4.5 Grants may be paid directly to any individual only on such condition as the Executive Mayor will approve.
- 4.6 Grants may be used for travelling, accommodation or subsistence of individuals or teams participating in events such as sport or cultural activities only when the Executive Mayor is satisfied that it is a real need as a result of historical disadvantages.

5. Prohibited Uses

- 5.1 The Fund may not be used for any purpose that benefits a political party.
- 5.2 Appropriations may not benefit any member of the Council or a family or relative of any member of the Council.
- 5.3 Only in exceptional cases, but bearing in mind the provisions of paragraph 4.6 above, may grants be made for activities occurring outside the boundaries of the Municipality and only after approval by the Executive Mayor after consultation with the Members the Special Fund Committee.
- 5.4 Any grant from the fund shall not result in repeat commitments nor may any expectation be created that funding will automatically be made available in future.
- 5.5 Grants may not be used in conjunction with other municipal funding or grants-in-aid.

6. Process for Release of Funds

The Executive Mayor, after consultation with the Special Fund Committee, must assess a request for funding and determine whether it meets the Fund Guidelines set out above.

The Executive Mayor must submit a request to the Municipal Manager for authorization of the withdrawal of money from the fund or for the procurement of goods in accordance with the Municipality's Supply Chain Management Policy and which purchases are to be financed from the Fund.

The Executive Mayor, after consultation with the Members of the Special Fund Committee, may impose conditions in respect of any grant made from the Fund.

7. Reporting Requirements

The Executive Mayor must report to Council on a quarterly basis in respect of the status of the Fund including amounts withdrawn, the names of the beneficiaries and any donations received.

8. Donations to the Fund

- 8.1 Any member of the public or organisation may donate money to the Fund.
- 8.2 If a donor specifies conditions in respect of any donation, the donated amount may only be utilised in terms of those conditions.
- 8.3 The Executive Mayor, after consultation with the Members of the Special Fund Committee, may refuse any donation where the conditions are unacceptable to the Executive Mayor.
- 8.4 The Municipality may appropriate to the fund from its annual budget.

9. Grant Limits

The Council may determine the maximum limit of any grant from time to time.

Policy Section:	Directorate: Finance
Approval by Council:	31 May 2017