

## CHARITIES SECTOR 2018/2019 OPEN CALL FOR APPLICATIONS GUIDELINES FOR APPLICANTS

The Charities Call for Applications consists of the following documents that make up the Application Pack:

- FORM 2010/1 (for applications greater than R500 000.00)
- FORM 2010/2 (for applications less than R500 000.00)
- Funding Guidelines
- Project Business Plan Template for medium and large grants (Annexure A)
- Project Business Plan Template for small grants (Annexure A1)
- Supplementary Form in support of agent/ representative/conduit application (Annexure B1)
- Budget Template (Annexure C)
- Capacity Building Plan Template for Assisting Organisations

Please familiarise yourself with all the documents as they will help you to complete the application.

Please read the guidelines carefully before you complete the application form and the required templates.

Refer to the Documents Checklist at the end of these Guidelines for the list of Mandatory Documents that must be submitted with your application.

**PLEASE NOTE:**

**Non-Compliant applications will not be accepted. Applicants will, however, be granted the opportunity to re-submit a compliant application pack.**

## A. APPLICATIONS

1. All applications must be completed on the relevant **prescribed** application form as follows:
  - a. Form 2010/2 for applications up to R500 000.00
  - b. Form 2010/1 for applications above R500 000.00
  - c. Clearly identify the **SECTOR** to which you are applying in the list provided at the top of the Application Form. Only applications to the **Charities** sector will be considered.
  - d. **All** 5 pages of the prescribed application form must be **fully** completed and the **Declaration** on the last page **must** have the **full name of the person submitting the application** on behalf of the organisation.
  - e. The **name of the applicant organisation MUST** be clearly indicated and the form must be **signed and dated**. Applications that fail to comply with this requirement will be regarded as non-compliant and will therefore not be accepted.
  - f. The application form must be signed by any one of the 2 main contact persons indicated in the application form. Signatories to the application form must hold a valid South African Identity Document.
2. **Do not** change/re-type the format of **FORM 2010/1** and **FORM 2010/2** as they are legal documents that have been gazetted.
3. An organisation that uses the same/one registration certificate (as an NPO, NPC or Public Trust) for all its projects, offices and/or programmes, must submit one application for all its projects, offices and programmes.

**This does not apply to conduits.** Details for conduits are outlined separately below.

4. An organisation that applies for more than one project must submit a detailed budget of the amount requested, with motivation for each line item, both for themselves and for each project/programme/office (see Annexure C). One **consolidated budget must be submitted for ALL the** projects/programmes/offices.

5. An organisation **may not** submit an application for **more than three programmes/projects or offices**.

The total amount requested for all programmes/projects/offices must be in **line with the amounts and categories reflected in Section A of the Guidelines**. Should this requirement not be adhered to, the Charities Distributing Agency (CDA) reserves the right to apply its discretion during adjudication.

6. The registered name of the organisation must be the same on the application form and all supporting documents. This means that the name on **ALL** the documents listed below must be exactly the same:
- a) Prescribed application form (FORM 2010/1 or FORM 2010/2, as applicable);
  - b) Proof of Registration as NPO, NPC, Public Benefit Trust (Family or Private Trusts are not eligible for NLDTF funding);
  - c) Founding documents (Constitution, Trust Deed or Memorandum and Articles of Association);
  - d) The name of the **bank** account;
  - e) **Annual Financial Statements** of the organisation (where applicable).

**PLEASE NOTE:**

If the names on any of the mandatory documents differ, it could have a negative impact on the adjudication of your application.

Where there has been a **change of name**, proof in the form of a signed and approved copy of the Special Resolution, amended constitution or Minutes of the Meeting or a Change of Name certificate detailing the name change must be submitted with the application.

## 7. REQUIREMENTS FOR DIFFERENT CATEGORIES OF GRANTS

### 7.1 Small Grants: up to R500 000,00

This category is for smaller/**individual organisations**, and emerging organisations, that have not previously received NLDTF grants.

The following **MANDATORY DOCUMENTS** must be submitted together with a fully completed prescribed application form, **FORM 2010/2**.

- a) **Proof Of Registration** of the organisation as a Non- Profit Company (formerly Section-21 Company), NPO, or Public Benefit Trust;
- b) Complete signed and dated **Constitution, Articles and Memorandum of Association / Incorporation, or Trust Deed or any other relevant founding document**;
- c) **Proof of Registration** as a Place of Care, Children's Home or Home for the Aged, Early Childhood Development (ECD) Centre or any other service that requires such registration in terms of any law, where applicable.
- d) **Detailed Project Business Plan (Annexure A1)**
- e) **Detailed Project Budget And Motivation (Annexure C)**
- f) **Financial Records**
  - Most recent bank statements in the name of the Organisation.
- g) **Mandatory Requirements for a Conduit / Agent / Representative** in the case of such applying on behalf of organisations as indicated in Section B below.

**PLEASE NOTE:**

Organisations that have been previously funded and who want to apply in this category must be fully compliant with the terms of the grant agreement, including progress reports. Multi-year funding will not be considered for this category of funding.

Applications for infrastructure will not be considered under small grants, except for renovations.

**7.2 MEDIUM GRANTS: R500 001 - R5 000 000.00**

The following **MANDATORY** documents must be submitted together with fully completed prescribed application form, **FORM 2010/1**.

- a) **Proof of Registration** of the organisation as an NPC, NPO, or Public Benefit Trust;
- b) Complete signed and dated **Constitution / Articles and Memorandum of Association / Incorporation, or Trust Deed or any other relevant founding document**;
- c) **Detailed Project Business Plan** (Annexure A);
- d) **Detailed Project Budget and Motivation** (Annexure C);
- e) **The most recent SIGNED AND DATED ANNUAL FINANCIAL STATEMENTS**
  - For the most recent year for organisations that have previously received funding from the NLDTF.
  - For the two most recent consecutive years, signed and dated by a registered and independent Accounting Officer or Auditor in the case of organisations that have not been previously funded by the NLDTF.
- f) **SIGNED Auditor or Accounting Officer's Report**

*Organisations may apply for multi-year funding for a period of up to three (3) years. Such applications if successful will be subject to the availability of funds.*

*This amount may not exceed the maximum amount for the grant category in which the organisation is applying.*

**Applications in this category may apply for infrastructure development.**

## **8. ANNUAL FINANCIAL STATEMENTS**

8.1 Organisations that have received funding from the NLDTF must attach **one complete set** of the most recent year's **Annual Financial Statements** with comparative figures.

8.2 Organisations that have never been funded by the NLDTF must attach **two (2) complete sets of the most recent years' Annual Financial Statements.**

- Organisations that have never been funded by the NLC must attach the **two most recent complete sets of Annual Financial Statements.** These annual financial statements must be **for two consecutive years** (e.g. 2016/2017 and 2017/2018) for two financial years, following each other and without interruption.
- Annual Financial Statements must include **comparatives figures** for the previous financial year.
- **Please note:** Annual Financial Statements must be approved **within six months of the financial year end**, as identified in the founding document/constitution.
- The financial year end on the Financial Statements must **be aligned with the period stated in the founding documents.**

- Furthermore, the Annual Financial Statements **must be signed** and dated by a **registered, independent Accounting Officer or Auditor** on the firm's letterhead and prepared in line with the requirements of his/her professional body. Please refer to the recognised Professional Accounting and Auditing bodies below.

**PLEASE NOTE:**

Annual Financial Statements must be complete and **must** include the following:

- A detailed income and expenditure statement;
- A balance sheet
- Notes on the financial statements
- Comparative figures for the previous financial year
- A signed and dated Auditor or Accounting Officer's report on the firm's letterhead;
- A signed and dated Board Members'/ Directors report
- Incomplete Annual Financial Statements will render the application non-compliant and therefore not eligible for consideration.

- 8.3 The Annual Financial Statements **must not** be submitted as part of an **Annual Report**. Annual Reports are not required, and if submitted, will not be considered. Please make it a point that you submit **only** the required Financial Statements.
- 8.4 The Accounting Officer / Auditor **must be registered and in good standing with** one of the Accounting or Auditing Bodies listed below.
- 8.5 Organisations **must** request **proof of such registration** with these Bodies from their Accounting Officers / Auditors before they appoint the Accounting Officer / Auditor to prepare their Annual Financial Statements.

8.6 Annual Financial Statements compiled by a Student Accounting Officer, as well as employees of Accounting Firms not authorised to compile and sign Financial Statements will **not** be considered.

8.7 **Recognised Professional Bodies:**

- a) South African Institute of Chartered Accountants (SAICA)
- b) Auditors registered with the Independent Regulators Board for Auditors (IRBA)
- c) Chartered Secretaries of Southern Africa (CSSA)
- d) Chartered Institute of Management Accountants (CIMA)
- e) South African Institute of Professional Accountants (SAIPA)
- f) Institute of Accounting & Commerce (IAC)
- g) Association of Chartered Certified Accountants (ACCA)
- h) Chartered Institute of Business Management (CIBM)
- i) The South African Institute of Business Accountants (SAIBA)
- j) The South African Institute of Government Auditors (SAIGA)

**Please note:** Only an Auditor, registered with Independent Regulators Board for Auditors (IRBA), is in a position to give an opinion in Annual Financial Statements.

8.8 Please submit proof of registration of your Accounting Officer / Auditor as well as a letter from the Accounting Officer / Auditor, confirming that he / she signed the Annual Financial Statements submitted with application. The NLC will, as part of the adjudication process, verify the registration of the Accountant Officer / Auditor with the Professional Bodies listed above. In addition, the NLDTF will verify that an Accounting Officer has actually prepared the Financial Statements submitted.

8.9 The NLC has noted with concern that fraudulent and fabricated statements have been submitted in the past. The NLC will take measures against the applicant and Accounting Officer / Auditor should this be the case with your application.



- 8.10 Please note that the following will not be accepted:
- Draft Annual Financial Statements;
  - Unsigned and Undated Annual Financial Statements;
  - Management Account; and
  - A Compilation Report.
- 8.11 Please note that the names and positions of no less than **three (3) bank signatories, who** are Office bearers or Officials **who are not related**, must be provided on the prescribed Application Form (Section C2 of FORM 2010/1 or FORM 2010/2).
- 8.12 The **referees** identified in Section D of FORM 2010/1 or FORM 2010/2 **must be independent** of the Organisation and may be a Municipal Councillor, a Traditional Leader, a Minister of any Church, and a Sport related Official of a Government Department.

Referees must **not** be any of the following:

- a. Employees of the Organisation;
- b. Members of the Board and Management Committee or their family members, relatives or friends;
- c. Volunteers involved with the Organisation; and
- d. Any person who provides / supplies services to the Organisation.

## **B. BUDGET**

- 9.1 The NLC reserves the right to determine the amount to be funded. The principle of contributing a maximum of 20% towards Operational Costs and 40% towards Project Costs would be applied across all grant categories.
- 9.2 Please use the budget format in the attached template in order to facilitate the efficient adjudication of your application.

- 9.3 Please complete **all relevant** sections of the budget template which is aligned to the project plan. Not **all** budget line items needs to be requested but the project budget template is a guideline on the possible line items that can be considered for funding. Separate budgets must be submitted for the project/programme/office applied for, together with a consolidated budget.
- 9.4 Other sources of funding for the same project that the organisation is applying for must be clearly reflected as Income on the Budget template;
- 9.5 The amount requested from the NLDTF as per the itemised list must include a clear **motivation** for the items requested. If there is no motivation for a specific budget line item it will not be considered for funding.
- Do not** use any other format and please motivate line items rather than the whole project/programme/office. Failure to submit a motivation with the application form will render your application non-compliant;
- 9.6 The total amount requested in the Business Plan must be equal to the amount reflected on B2 of the prescribed application form (FORM 2010/1 or FORM 2010/2).
10. Please note that the names and positions of no less than **3 bank signatories, who are office bearers or officials, who must not be related**, must be identified in the prescribed form (Section C2 of FORM 2010/1 or FORM 2010/2).

## **C. CONDUIT / AGENT/ REPRESENTATIVE/ APPLICATIONS**

11. The NLC may accept and consider applications for funding from organisations that apply through an agent/ representative/ conduit, if:
- a) The organisation has been in existence for less than six (6) months at the time of submission of the application; or

- b) There is a clear need for a project in a community and that community is not sufficiently registered as a recognised legal entity.
12. The application must be submitted by an agent/ representative/ conduit and must include a statement by the organisation providing reasons why it requires assistance from such agent/ representative/ conduit.
  13. The agent/ representative/ conduit must outline the nature of assistance it will provide to the organisations/ communities.
  14. A conduit may **ONLY** apply for one (1) organisation/ community.
  15. The agent/ representative/ conduit must be a registered NPO/ NPC and previously funded by the NLC.
  16. Both the agent/ representative/ conduit and assisted organisations/ communities should be located within the same province and/or within a radius of 400 kilometres to ensure that the former is able to provide the necessary support to the assisted entity. Exceptions will be considered where there are insufficient registered and established organisations in a province, or due to geographic factors.
  17. The agent/ representative/ conduit must operate in the same sector as the organisation/ community they are assisting.
  18. Assisted organisations/ communities may only apply with one agent/ representative/ conduit.

19. The total amount for each assisted organisation must not exceed R500 000.00 (five hundred thousand rand). This amount will be inclusive of a maximum of 5% for administrative costs for the agent/ representative/ conduit, for each project. The budget must be inclusive of the administrative cost.

The administration fee must be broken down and be inclusive of the mentoring & coaching, monitoring of project implementation, travel, as well as the compilation of progress reports.

**PLEASE NOTE:**

Services and payments mentioned in this section do not refer to people and/or organisations who assist beneficiaries to complete application forms during a call for applications.

20. A conduit must have the knowledge, competence and skills to assist applicant organisations/ communities.
21. Skills transfer, mentoring and capacity building will form the basis for considering an application from an agent/ representative/ conduit application.
22. With the application, an agent/ representative/ conduit must submit a plan, setting out how the necessary skills and capacity building of the assisted organisation/ community will be strengthened. This plan must be attached to the Business Plan.
23. The agent/representative/conduit and the organisation/community should ideally be in the same geographical area or province.
24. The agent/ representative/ conduit may apply separately for their own programmes and operations.

The separate application must include the mandatory documents and other required templates relevant to their category, and must be submitted separately.

In addition to the aforementioned, applicants are also required to submit the following documentation/ information:

## **25. Norms and Standards for all Social Service Facilities**

a) In terms of the Children's Act No 38 of 2005, all places of care, which include ECDs, Children's Homes and Shelters for Children as a Child and Youth Care Centre (Including children with disabilities) must be registered with the Department of Social Development (DSD). The Children's Act obliges all service providers of partial care and early childhood development to register with the department and comply with the national norms and standards. The NLC will not accept applications of facilities not approved/accredited by the Department of Social Development (DSD), but will consider a letter indicating progress on the registration of the facility for services offered.

b) In terms of the Older Persons Act, all facilities catering for older persons, must be registered as a place of care with Department of Social Development (DSD), NLC will not accept applications of facilities not approved/accredited by the Department, but will consider a letter indicating progress on the registration of the facility for services offered.

c) In terms of the Prevention of and Treatment for Substance Abuse Act (Act No. 70 of 2008), all facilities catering for in- and-out patients must be registered with the Department of Social Development (DSD), NLC will not accept applications of facilities not approved/accredited by the Department, but will consider a letter indicating progress on the registration of the facility for services offered.

d) In terms of the Policy on disability, all facilities catering for in-patients must be registered as a place of care with Department of Social Development (DSD), NLC will not accept applications of facilities not approved/accredited by the Department, but will consider a letter indicating progress on the registration of the facility for services offered.

e) All facilities and organisations who caters for chronically – ill patients or rendering the following services, One stop service centres or Multi-Purpose centres, Gender Base Violence, Human Trafficking and Court Support for Victims Services, Psycho-Social Services to all victims of crimes and violence and family care services must be registered with Department of Social Development (DSD), NLC will not accept applications of facilities not approved/accredited by the Department, but will consider a letter indicating progress on the registration of the facility for services offered.

Professionals rendering services in these fields **must** be registered with the respective professional bodies, ***Registration of community-based services states in section 14. (1) No person may provide community-based services unless the services are registered in terms of this section. (6) A person who renders a community-based service that has not been registered in terms of this section is guilty of an offence and liable on conviction to a fine or to imprisonment for a period not exceeding 12 months or to both a fine and such imprisonment. Professionals rendering services in these fields must therefore be registered with the respective professional bodies.***

## **26. Applications for building projects.**

i) **Applications for a new building, extensions or renovations to existing Buildings must include the following:**

a) **Proof of Ownership** of land and/or buildings e.g. **Permission to Occupy (PTO)**, issued in the name of the organisation (**not an individual**).

A copy of the lease agreement must be provided, including the period of occupation.

b) **Building Plans**

- c) **Quotations** (Two quotations must be submitted from credible suppliers. The separate quotations must include material, professional fees and labour costs).
  - d) **Proof of Registration and Grading of the Builder** with the relevant professional body (e.g. CIDB, NHBRC).
- ii) **Purchase of land or property**
    - a) **Offer to Purchase**, if the organisation applies for funding to purchase an existing property. This must include the period for which the offer is valid.

27. Applications that include requests for a **vehicle** and/or other **capital equipment** must include at least two **quotations** from credible local suppliers.

**PLEASE NOTE: The NLDTF does not fund the purchase of second hand vehicles.** Brochures are not accepted as quotations.

28. **Please do not include any documents** that are not requested in the prescribed application form and these Guidelines. Adjudication is based **only** on the information contained in the required documents.
29. **Organisations that have been previously funded** by the NLC and have not submitted all outstanding Progress and FINAL reports (both narrative and financial), in accordance with the Grant Agreement, **will not be considered.**

***No applicant to whom a grant was made by the National Lotteries Commission should be eligible to apply for another grant within a period of twelve (12) months from the date of receipt of that grant, irrespective of whether the project is different from the one previously applied for. The twelve (12) months cooling off will be counted from the last final payment made to the applicant by the NLC.***

30. The National Lotteries Commission **does not sell** Applications forms, Guidelines and any other applications documentation. Applicants should not pay for these documents from any other person or organisation.
31. Applicants are advised **not to pay** for assistance in completing applications forms. Payment for such services from the allocated grant will constitute a breach of grant agreement.

**PLEASE NOTE :**

- An applicant that has received a grant from the NLC is not eligible to apply for another grant within a period of twelve (12) months from the date of receipt of the most recent grant, irrespective of whether the project is different to the one previously applied for.

The twelve (12) month cooling-off period will be determined from the date of the last payment made to the applicant by the NLC. Please refer to Clause 11 of the Grant Agreement signed with NLC.

- These guidelines provide the key criteria which will guide the adjudication of applications. Failure to adhere to the terms of the Lotteries Act, 2013 (Act No. 32 of 2013), the regulations and these guidelines will render the application non-compliant.
- The Distributing Agency reserves the right not to make grants, and to determine the amount to be allocated.



**PLEASE NOTE:**

Should you require any further clarification on the application form and related documents, please contact the **NLC Contact Centre on 08600 65383** or the **Provincial Office nearest to you (see attached list of Provincial Offices).**

<p><b>Postal Address</b></p> <p>Grant Funding Office Private Bag X101 Brooklyn Square, 0075</p>	<p><b>Eastern Cape Office</b></p> <p>Phase 4A, Waverly Office Park Phillip Frame Road, Chislehurst East London,5200</p>
<p><b>Free State Office</b></p> <p>321 Corner Ryk &amp; Stateway Welkom,9459</p>	<p><b>Gauteng Office</b></p> <p>Block D, Hatfield Gardens 333 Grosvenor Street Hatfield,0083</p>
<p><b>KwaZulu-Natal Office</b></p> <p>Office 22, SmartXchange Building 5 Walnut Road Durban,4001</p>	<p><b>Limpopo Office</b></p> <p>5 Landross Mare Street Polokwane, 0699</p>
<p><b>Mpumalanga Office</b></p> <p>25 Rood Street Sonheuwel Dorp Nelspruit, 1200</p>	<p><b>Northern Cape Office</b> 9 Roper Street, Suite D Kimberley, 8300</p>
<p><b>North West Office</b></p> <p>16 Aerodrome Crescent Industrial Side, Mahikeng, 2745</p>	<p><b>Western Cape Office</b></p> <p>Manhattan Place 130 Bree Street Cape Town, 8000</p>

## DOCUMENTS CHECKLIST

### SMALL GRANTS CHECKLIST

• Have you submitted all your outstanding Progress Reports	YES	NO
• FORM 2010/2	YES	NO
• Proof of Registration as NPO, Non Profit Company (formerly Section 21 Company), Public Benefit Trust	YES	NO
• Founding documents [Constitution, Trust Deed, Memorandum & Articles of Association]	YES	NO
• Business Implementation plan	YES	No
• Project Budget	YES	No
• Project Motivation	YES	NO
• Certified copies of the Identity Documents of the 2 Contact persons and the Members of the Management Committee listed on page 2 of application FORM	YES	NO
• <b>Financial Records</b> <b>Most</b> recent bank statements in the name of the Organisation	YES	NO
<b>Where applicable</b>		
• Proof of registration for services that requires registration in terms of any law, where applicable.	YES	NO
• Quotations for all goods and services	YES	NO

## **MEDIUM GRANTS CHECK LIST**

• Have you submitted all your outstanding Progress Report	YES	NO
• Proof of Registration	YES	NO
• Founding documents [Constitution, Trust Deed, Memorandum & Articles of Association]	YES	NO
• Business Implementation plan	YES	NO
• Project Budget	YES	NO
• Project Motivation	YES	No
• Certified copies of the IDs of the 2 Contact persons and the Members of the Management Committee listed on page 2 of application FORM 2010/1	YES	NO
• <b>Financial Records:</b> ✓ Annual Financial Statements ✓ One Set if you have been funded before	YES	NO
• Signed and dated Auditors report or Accounting Officer	YES	NO
• Letter proofing registration of Accounting Officer/Auditor	YES	NO
• Written letter from Accounting Officer/Auditor confirming signing the Financial Statement submitted.	YES	NO
<b>Where applicable</b>		
• Proof of registration for services that requires registration in terms of any law, where applicable	YES	NO
• Quotations for all goods and services	YES	NO
• Proof of Land/Building Ownership	YES	NO
• Building Plan	YES	NO
• Proof of Registration of grading of Builder/Contractor	YES	NO
• Proof of Commission to Occupy (PTO)	YES	NO
• Proof of Offer to Purchase Land/Building	YES	NO

<b>Conduit Applications</b>		
• Form 2010/1 or Form 2010/2 for main applicant (assisting organisation)	YES	NO
• Form 2010/1 or Form 2010/2 for each organisation/community that will be assisted	YES	NO
• Skills Transfer and Capacity Building Plan.	YES	NO
• Relevant mandatory documents as indicated above	YES	NO
• Statement by the applicant providing reasons why it requires	YES	NO
• Statement by the agent, representative or conduit on the nature of assistance it will provide to the applicant	YES	NO
• Include two (2) letters from Accounting Officer/Auditor.	YES	NO
<b>Other Conduit Documents</b>		
• Supplementary Form for agent/ representative/conduit applying on behalf of beneficiary organisation/community	YES	NO