

Media Statement

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FOR IMMEDIATE RELEASE

NLC Reaffirms its Commitment to Funding “Good Causes” in Historically Disadvantaged and Marginalised Communities

Tshwane, 04 May 2026 - The 2024/2025 Call for Applications opened on 2 December 2024 and closed on 19 December 2025. It was the first call to be handled through the Thuthuka online grant management system, which requires organisations to register their profiles and comply with the legislative requirements of the Department of Social Development (DSD), the Companies and Intellectual Property Commission (CIPC) and the South African Revenue Service (SARS), amongst others.

During the current Call for Applications, **3,137 compliant** applications were received across all provinces, and adjudication commenced in August 2025. To date, the Distributing Agency has adjudicated over **1,281** applications. This represents 28.6% of the total applications received, with the remaining applications to be rolled over into the new financial year for completion. The approved funding amounts to R 1.199 billion, with R804,533,451.32 allocated to Charities, R170,336,714.76 to Arts, Culture and National Heritage and R224,584,918.43 to Sports and Recreation sector.

With regard to declined applications, the system reflects the following reasons: incomplete or inadequate financial documentation, quotation deficiencies, insufficient project planning and programme details, governance, registration, and institutional compliance gaps, prior funding history, risk flags, and compliance status, legal agreements, ownership, and asset control and capacity, accreditation, and service delivery credibility.

The NLC recognises stakeholder concerns regarding processing timelines. It is important to contextualise this within the current operating environment. There was a period of transition to the NLC Thuthuka online grant management system. The implementation of the new Thuthuka system was designed to stream-line and automate processes, enhancing efficiency across the Grant Funding value chain.

The current funding environment reflects a deliberate tightening of compliance controls, including but not limited to:

- Verification of the legitimacy of applicant organisations and their directors.
- Verification of applicant organisations' programmes and projects.
- Verification of applicant organisations' physical operating addresses.
- Assessment of financial and governance capacity.
- Referral of non-compliant entities for further review or investigation where required.

While assessing received applications, we encountered a high volume of non-compliant applications. To remedy the situation, we are currently in constant engagement with our Application Programme Interface (API) partners which include amongst others; the Companies and Intellectual Property Commission (CIPC), Department of Home Affairs (DHA), Department of Social Development (DSD) and South African Revenue Services (SARS) to assist the NLC to resolve some of the non-compliance matters encountered.

“Non-compliance of applications contributed to extended timelines, particularly for applications requiring further verification or validation. Importantly, where applications are compliant and adjudicated, the NLC achieved **92% adjudication within the legislated 150-day period**. This demonstrates that delays are **not systemic across all applications** but are largely concentrated in cases requiring compliance resolution,” said NLC Commissioner, Ms Jodi Scholtz.

Extended processing times for applications are primarily attributable to ongoing compliance verification processes, which include requests for additional information and the correction of deficiencies identified during assessments. These steps are necessary to ensure that all submissions meet the required regulatory and policy standards prior to finalisation.

The analysis of current and historical applications indicates notable levels of non-compliance within the sector, and the interventions currently being implemented reflect the NLC's commitment to safeguarding public funds. In early 2025, the Department of Social Development (DSD) reported that out of 280,000 registered NPOs, more than 200,000 were at risk of deregistration for failing to meet basic compliance requirements, primarily the submission of annual reports as mandated by the NPO Act. About 6,000 organisations have already been deregistered at the time of reporting. Non-compliance with regulatory requirements leads to ineligibility for funding, prompt audits and delays in approving funding.

Commissioner Scholtz said: “The NLC recognises that many non-profit organisations experience compliance challenges that can affect their ability to access funding. We have embarked on capacity-

building initiatives focused on governance, compliance, and institutional strengthening. These include education and awareness sessions, financial and operational reporting workshops and helpdesks that target stakeholders across the country.”

The NLC’s is working around the clock to ensure that all outstanding applications are ready for adjudication by 31 May 2026. It is further anticipated that the adjudication of these applications will be completed by October 2026, subject to budget availability.

“The NLC board is re-affirming its commitment to funding "good causes" in historically disadvantaged communities by ensuring the NLC prioritises grant distribution toward projects that alleviate poverty, reduce inequality, and empower vulnerable groups, specifically in rural and underserved South African areas. The board overhauled its policies to restore public trust, confidence and ensuring that funds reach the intended beneficiaries and compliant organisations,” said NLC Board Chairperson, Professor Barney Pityana.

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