

WEST COAST DISTRICT MUNICIPALITY



EXECUTIVE MAYOR'S SPECIAL FUND POLICY

The Council resolves in terms of Section 12 of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003), to adopt an Executive Mayor's Special Fund Policy to give effect to the establishment of relief, charitable, trust or other fund.



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1. INTRODUCTION

- 1.1 An Executive Mayor's Special Fund ("Fund") is herewith established, amongst other to give effect to the Municipality's project of "Restoring the Social Fabric of the Community" and "Creating own Timber", which fund is subjected to the legal framework set out below. The Executive Mayor, after consultation with the Municipal Manager, is authorised to decide on the use of the Fund.

2. LEGAL FRAMEWORK

- 2.1 Section 12 of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) ("MFMA") permits the establishment of a "relief, charitable, trust or other fund" in the name of the Municipality. The Municipality may open a separate bank account and any money received for the Fund must be paid in the Fund. Money paid into the separate bank account may be withdrawn from the account without appropriation in terms of an approved budget, but only by or on the written authority of the accounting officer acting in accordance with the decisions of the Council and/or for the purpose for which the Fund was established.
- 2.2 The Fund will be incorporated in the annual financial statements of the municipality for audit purposes.

3. PURPOSE OF THE FUND

- 3.1 The Fund is created for the purpose of allocating grants by the Executive Mayor at his/her discretion, in consultation with the Municipal Manager. The Fund can furthermore be utilised for socio-economic projects by the Municipality, but outside the Municipality's budget at the discretion of the Executive Mayor in consultation with the Municipal Manager.

4. FUND GUIDELINES

The Fund may be used for:

- 4.1 Causes that will support the Municipality's Project of "Restoring the Social Fabric of the Community" and "Creating own Timber";
- 4.2 Causes that will promote the profile of the Municipality both locally, provincially, nationally and internationally;
- 4.3 Poverty alleviation and reduction of unemployment projects, including cases of hardship and cases related to tragedy;
- 4.4 Emergency- and disaster situations;
- 4.5 Any socio-economic project approved by Council or at the discretion of the Executive Mayor;
- 4.6 The specific use and conditions as may be set out by a donor to the Fund;
- 4.7 Grants (allocations) may be paid directly to any individual only on such condition as the Executive Mayor will approve; and
- 4.8 Grants (allocations) may be used for traveling, accommodation or subsistence of individuals or teams participating in events such as sport or cultural activities.

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 Councillor or a family member or relative of any Councillor;
- 5.3 Appropriations may not benefit employees of the Municipality, however a family member or relative of an employee may benefit;
- 5.4 Any funding and projects from the Fund shall not result in repeat commitments nor may any expectation be created that funding will automatically be made available in future; and
- 5.5 Funds may not be used in conjunction with other municipal funding or grants in-aid.

6. PROCESS FOR RELEASING OF FUNDS

- 6.1 The Municipal Manager is the Accounting Officer of the Fund;
- 6.2 The Executive Mayor in consultation with the Municipal Manager, identifies an appropriate use and determines the amount as well as the beneficiary;
- 6.3 The Municipal Manager will authorise the withdrawal of money from the fund or for the procurement of goods in accordance with the Municipality's Supply Chain Management Policy;

- 6.4 The Executive Mayor in consultation with the Municipal Manager, may impose conditions in respect of any allocation made from the Fund; and
- 6.5 Where applicable a written agreement must be entered with the recipient of the funding to ensure that the funds are used for the purpose intended.

7. REPORTING REQUIREMENTS

- 7.1 The Executive Mayor in consultation with the Municipal Manager 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. The Municipality may actively canvass for donations 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 in consultation with the Municipal Manager, may refuse any donation where the conditions are unacceptable to the Executive Mayor; and
- 8.4 The Municipality may appropriate to the fund from its annual budget.

9. GRANT LIMITS

- 9.1 The Executive Mayor in consultation with the Municipal Manager will determine the maximum limit of any allocation.

10. EFFECTIVE DATE

- 10.1 The policy is known as the Executive Mayor's Special Fund Policy and takes effect from 1 July 2019.