

POLICY FOR THE ALLOCATION OF GRANTS IN AID

Name of Policy	Date of Approval	Reference
Policy for the Allocation of Grants in Aid	Amended by Mayoral Committee on 4/5/2005	MC 14/5/2005
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CITY OF CAPE TOWN GRANTS-IN-AID POLICY

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GLOSSARY AND ABBREVIATIONS

AO	The Accounting Officer - Municipal Manager of a municipality is the accounting officer of the municipality
CFO	Chief Financial Officer
CITY	The place or geographical area of Cape Town
CoCT	City Of Cape Town
Constitution	The Constitution of the Republic of South Africa – Act 108 of 1996
IDP	Integrated Development Plan
IGAC	Integrated Grants Administrative Committee
Input Costs	Cost of direct material and other overhead items devoted to the production of a good or service
MFMA	Municipal Finance Management Act – Act 56 of 2003
MOA	Memorandum of Agreement
MSA	Municipal Systems Act – Act 32 of 2000
NGO	Non-Governmental Organisation
NPO	Non-Profit Organisation
Organs of State	Section 239 of the Constitution
Partnerships	A partnership is a type of business entity in which partners share with each other the profits or losses of the business undertaking in which all have invested.
SLA	Service Level Agreement

POLICY FOR THE ALLOCATION OF GRANTS IN AID

1. Definition and Budget Provisions

- 1.1 Grants-in-Aid refer to transfers of municipal funds to organisations or bodies assisting the City, in the exercise of its powers of function in terms of Section 17(3) (j) of the MFMA. These transfer payments must be processed and monitored in terms of Section 67 of the MFMA and do not constitute commercial or business contracts and transactions. Specific provision must be made in the City's annual Operating Budget for Grants-in-Aid in terms of the provisions contained in Section 17(3) (j) of the MFMA. These budget provisions may be made either by Sub Councils, who may utilise their Operating Ward Allocation Budget, or Line Departments in their departmental Operating Budgets under Cost Element 457100 - Grants-in-Aid.

2 Legal Framework

- 2.1 The power of the City to make Grants-in-Aid is regulated by Section 156 of the Constitution as read with Section 8 of the MSA. These provisions limit the power to make Grants-in-Aid to circumstances where it is reasonable and necessary for or incidental to the functions and exercise by the municipality of its powers.
- 2.2 The power and functions of municipalities are set out in Section 156 of the Constitution as read with parts B of Schedules 4 and 5 thereof. (Refer to **Annexure A** attached).
- 2.3 The Constitutional Court held in the Fedsure case that a municipality is constrained by the principle that it may not perform any function nor exercise any power other than that permitted by law.
- 2.4 All Grants-in-Aid, as defined, must conform to the abovementioned requirements and statutory provisions to ensure that these transfers of funds, processed in terms of this Policy, avoid being deemed to be irregular or unauthorised expenditure as defined and provided for in the MFMA.

3 Purpose

- 3.1 The purpose of this Policy is to complement the goals, objectives, programmes and actions of the CoCT in order to create a sustainable, credible and caring city by empowering and building communities and enhancing growth and sharing through partnerships.

4. Objectives

- 4.1 Grants-in-Aid should improve the opportunity for the City to elicit the support of external organisations or bodies to deliver those services to communities which fall within the City's area of responsibility in a way that allows the City to create an enabling environment for community development and partnerships.
- 4.2 A key objective is to provide the opportunity of creating sustainable partnerships with external organisations or bodies to achieve the objectives as outlined in the City's Integrated Development Plan.

- 4.3 The utilisation of Grants-in-Aid to appoint and remunerate outside contractors to carry out municipal functions, normally performed by Line Departments, should only occur where such appointment has been processed in terms of the City's approved Supply Chain Management Policy and Processes.

5. Where Policy Does Not Apply

- 5.1 This Policy does not apply to the following. Council may regulate these in terms of separate policies or they are processed and administered in terms of specific statutory provisions.

5.1.1 Bursaries or funds to bursars for other activities / reasons / resources;

5.1.2 "Care-taker grants" where the City requires community organisations to maintain the City's sports fields or community facilities in terms of a SLA. These form part of the maintenance cost element within the operational budget of the respective departments;

5.1.3 Conditional grants received by the City which are then utilised to appoint and remunerate outside organisations and bodies to render/perform a service/function;

5.1.4 Disaster relief;

5.1.5 Donation of assets, moveable or immovable;

5.1.6 Housing billing subsidies;

5.1.7 Housing development subsidies;

5.1.8 Indigent grants;

5.1.9 Inter Governmental Grants;

5.1.10 Public Events, Public Functions and Conferences;

5.1.11 Rewards and Awards;

6. Criteria And Processes - General Guidelines

- 6.1 The following criteria and processes shall apply in respect of all Grants-in-Aid applications:-

6.1.1 Applicants are required to be registered as non profit organisations in terms of Section 13 of the Non Profit Organisation Act, 1997 or registered as Section 21 (not for gain) Companies in terms of the Companies Act, 1973, or organs of state (where Grants-in-Aid may only be allocated in specific instances), or properly constituted community, welfare or voluntary organisations which have a constitution, provable active membership and an annual general meeting held within the previous 12 months. Organisations or bodies reflected under 6.1.6 below do not qualify for Grants-in-Aid.

- 6.1.2 Notwithstanding 6.1.1 Grants-in-Aid may be made to any organisation or body that complies with the other criteria contained in the Policy, in exceptional circumstances, as determined by delegated authority.
- 6.1.3 Section 67(4) of the MFMA provides that Subsection 1(a) of Section 67 of that Act does not apply to organisations or bodies serving the poor provided that the approved amount of the transfer payment does not exceed a prescribed limit to be determined by the Minister. National Treasury has requested Council to set an interim limit until such time as the Minister has determined the prescribed amount. Council has approved an interim limit of R15, 000.00 and National Treasury has accordingly been informed.
- 6.1.4 Organisations or bodies submitting a new application, are required to attach a copy of the audited Financial Statements or audit certificate or an abridged income and expenditure statement together with vouchers in the case of organisations or bodies who serve the poor in terms of Section 67(4), relating to a previous financial year in which a Grants-in-Aid was received from the City.
- 6.1.5 The City reserves the right not to fund an organisation or body two years in succession or in any future years.
- 6.1.6 Funding will not be considered in the following instances where applicants either submit applications that cannot be considered due to the circumstances indicated below or are organisations or bodies that are reflected below:-
- 6.1.6.1 Does not meet with the priorities, strategies and objectives as set out in the IDP;
 - 6.1.6.2 Does not comply with all relevant statutory provisions or meet with the stated objectives of this policy;
 - 6.1.6.3 Have already incurred expenses which they now wish to fund;
 - 6.1.6.4 Only an individual benefits from a Grants-in-Aid;
 - 6.1.6.5 Who operate outside the boundaries of the CoCT, unless a clear and compelling benefit to the City can be demonstrated and the decision is taken in terms of delegated authority;
 - 6.1.6.6 Political organizations/groupings;
 - 6.1.6.7 Ratepayer Associations
 - 6.1.6.8 Grants-in-Aid to be used to subsidise municipal rates or tariffs
 - 6.1.6.9 Special Rating Areas (CIDS)
- 6.1.7 Grants-in-Aid allocations must be for projects that result in tangible and, where possible, measureable benefits to communities in order to realise the

City's Strategic Objectives and the purpose and objectives of this Policy. Direct funding for administrative salaries and wages, travel costs, subsistence allowances, accommodation, food or entertainment cannot be funded by Grants-in-Aid, but consideration to provide Grants-in-Aid funding for such expenditure incurred by organisations or bodies may be given where it is deemed to be an operational cost that is integral to the delivery and success of a project that merits Grants-in-Aid funding.

- 6.1.8 Subsequent requests to cover additional expenditure or over expenditure on a project will not be considered.
- 6.1.9 Organisations and bodies that receive CoCT accounts for the supply of municipal services must be up to date with their accounts before any Grants-in-Aid funds are paid over. Consequently, a grant may be approved by Council but the actual transfer of such funding to an organisation or body, by the City's Expenditure Department, can only occur once these entities have complied with the requirements of the City's Debt Management Policy and Procedures and have either settled all outstanding amount(s) due or have made proper and formal arrangements to settle the outstanding amount(s).
- 6.1.10 To ensure the sustainability of project(s) undertaken by the organisation or body, consideration should be given to granting the full funding requirements of deserving projects / programmes, rather than pro-rata allocations. An objective assessment is required to allocate limited funds. The relatively limited Grants-in-Aid funding as measured against the amount requested unfortunately will result in some, possibly many, requests for funds either not being successful or being significantly smaller than the amounts applied for.
- 6.1.11 Applications for Grants in Aid must be made on application forms approved by the CFO and be accompanied by all the required documentation such as Registration Certificates, Project Proposals, Business Plans, Annual Financial Statements or Management Accounts, latest CoCT municipal account (where such accounts are rendered) and banking particulars. Additional documentation required in respect of certain other organisations or bodies, as described in paragraph 6.1.4 above, must accompany such applications.
- 6.1.12 The application forms should at least include the following:
 - 6.1.12.1 Banking details;
 - 6.1.12.2 Certification of details provided by senior person of organisation or body;
 - 6.1.12.3 Checklist of supporting documentation;
 - 6.1.12.4 Contact details of the City department and person dealing with the grants;
 - 6.1.12.5 Contact details of the organisation or body and the relevant contact person;

- 6.1.12.6 Date established;
- 6.1.12.7 Detailed breakdown of project costs;
- 6.1.12.8 Detailed description of project to be implemented, the purpose and utilisation of Grants-in-Aid;
- 6.1.12.9 Details of other Grants-in-Aid received from the City for the current and previous financial years;
- 6.1.12.10 Details of sources and amounts of other income or funding and a proper business plan;
- 6.1.12.11 Closing date of application;
- 6.1.12.12 Other details as requested;
- 6.1.12.13 References;
- 6.1.12.14 Type of organisation or body (NPO, Section 21 Company, Trust, Community Org, ECD) together with relevant registration number where applicable.

7. First Screening by Line Departments and Sub Councils

- 7.1 The relevant Line Departments and Sub Councils will administer co-ordinate and control the First Screening Process in respect of applications received in response to their respective adverts.
- 7.2 Funding of applications will primarily be considered on an annual basis in response to the annual advertisements placed by Sub Councils and relevant Line Departments. The contents of the advertisements to comply with the criteria as determined by the Finance Directorate.
- 7.3 Applications are submitted to the relevant Line Departments and Sub-Councils to make a first screening according to the criteria contained in this policy, ensuring that funding is for viable projects, the projects are sustainable, will be completed with the available funds and there is sufficient evidence that proper financial control will be exercised over the funds granted by the City.
- 7.4 Line Departments and Sub-Councils, when assessing each application, must consider whether:-
 - 7.4.1 Applicants have demonstrated/substantiated that it meets with the goals of the City's IDP.
 - 7.4.2 Applicants, in their submissions, have demonstrated in a business plan the cost effectiveness of their projects, their ability to execute such projects successfully and achieve clearly defined outputs/outcomes.

- 7.4.3 Applicants have demonstrated the ability to manage funds effectively and be able to substantiate the financial viability of their projects / programmes.
- 7.4.4 Applicants have the capacity and have agreed: -
 - 7.4.4.1 to comply with the MOA entered into with the municipality;
 - 7.4.4.2 to comply with all reporting, financial management and auditing requirements as may be stipulated in the MOA for the period of the MOA;
 - 7.4.4.3 to report at least monthly to the AO on actual expenditure against such transfer;
 - 7.4.4.4 to submit its audited financial statements (where applicable) for its financial year to the AO promptly and;
 - 7.4.4.5 to implement effective, efficient and transparent financial management and internal control systems to guard against fraud, theft and financial mismanagement;
- 7.4.5 Applicants have complied with all requirements of Section 67(1) of the MFMA in previous financial years when they have received Grants-in-Aid funding from the City.
- 7.5 The requirements in 7.4.4 and 7.4.5 above do not apply to an organisation or body serving the poor or used by government as an agency to serve the poor, provided that the transfer does not exceed the prescribed limit (to be prescribed by regulation in terms of Section 168 of the MFMA) and the Line Department or Sub-Council takes reasonable steps to ensure that the targeted beneficiaries receive the benefit of the transferred funds. Refer to paragraph 6.1.3 above in respect of the interim prescribed limit of R15, 000.00 as approved by Council.
- 7.6 Line Departments and Sub-Councils recommend to the IGAC (members appointed by CFO per 8.1 below) which organisations or bodies should be considered for Grants-in-Aid. Details of the recommended grants, the projects, amounts etc are submitted to the IGAC on Grants-in-Aid templates compiled by the Finance Directorate.
- 7.7 Line Departments and Sub Councils may submit ad-hoc requests to the IGAC during a financial year. Such requests will be processed as Budget amendments but must be contained within the quantum of the Grant in Aid Budget allocation per Sub Council and per Line Department as approved by Council for a particular financial year. Any other additional Budget requests for Grants in Aid can only be considered as part of and in terms of Council's Budget Adjustment process.

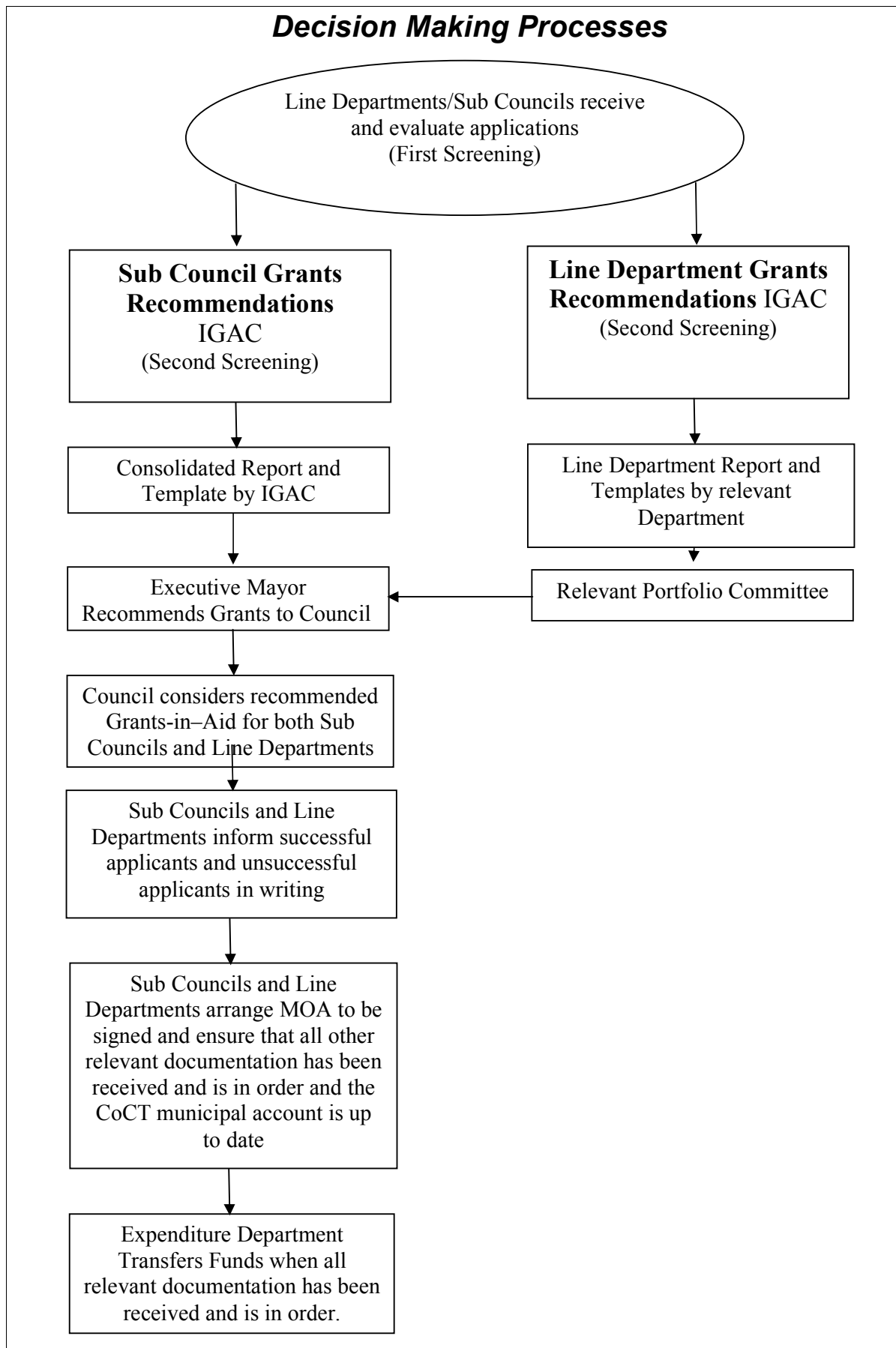
8. Second Screening by IGAC

- 8.1 A committee, the IGAC, whose members will be appointed by the CFO, in line with the delegations received from the AO will be established. This committee will be headed by the Finance Directorate in view of the fact that the Grants-in-Aid Policy and Procedures are closely linked with the annual Operating Budget process and will also involve a continual monitoring of expenditure against the budget. Representatives from Line Departments and Sub-Councils' Administrations will be appointed to this Committee.
- 8.2 The IGAC will administer, co-ordinate and control the Second Screening process in respect of applications recommended by Line Departments and Sub-Councils. The IGAC must ensure that each of the recommended grants comply with all the provisions contained in this Policy, various Acts of Parliament and other applicable policies. The IGAC is mandated to either support or not support a recommendation received from a Sub Council or Line Department.
- 8.3 The IGAC must check for compliance or the capacity to comply with Section 67(1) (a) and (b) of the MFMA or, in the case of organisations serving the poor, Section 67(4) of that Act. Where an organisation or body failed to comply with the requirements of these Sections of the MFMA in respect of a previous transfer, a further transfer to that organisation or body may be made, provided that the requirements of Section 67(2) are complied with.
- 8.4 The IGAC must emphasise that the organisation or body has to be up to date with their CoCT municipal account in order for the transfer of funds to be made.

9. Approval Process

- 9.1 Upon completion of the second screening the IGAC submits a consolidated report and templates for all Grants-in-Aid to be made by Sub Councils, to the Executive Mayor for consideration and recommendation to the Council. Grants-in-Aid to be made by Line Departments must be submitted to the relevant Portfolio Committee after the screening process by the relevant Line Department before consideration by the Executive Mayor who then recommends to Council. The IGAC and Line Departments' reports shall also include details of all applications for Grants in Aid that were unsuccessful as well as the reasons why these applications were not supported.

Decision Making Processes



10. Completion of award process

- 10.1 Sub Councils and Line Departments may only inform both the successful and unsuccessful applicants, in writing, of Council's decision once Council has considered and approved the various Grants-in-Aid as recommended by the Executive Mayor. The correspondence sent to unsuccessful applicants must include the reasons why their applications were turned down.
- 10.2 The Line Departments and the Sub-Councils must liaise directly with the organisation or body who will receive the grant in order for the attached MOA (Annexure "B") to be completed. This completed and properly signed MOA must accompany all other documentation that is sent to the Expenditure Department in order for grants payments to be processed expeditiously and successfully.
- 10.3 Payments of the grants awarded are effected through the Sundry Payments system of Accounts Payable (Expenditure Department).

11. Transfer of Funds

- 11.1 Before any funds are transferred to any organisation or body, the AO must ensure that the provisions in both Section 67 of the MFMA, other relevant statutory provisions and the GIA Policy have been fully complied with. Any delegations relating to this matter must be taken into consideration in order to confirm compliance.
- 11.2 Payments may be allocated as a once off amount or in tranches dependent with project progress. The latter must be arranged through communication between the Expenditure Department and the relevant Line Departments or Sub Councils.

12. Guidelines on timeframes for formal advertising and approval process

12.1 Advertisements calling for applications for Grant in Aid Funding placed by Line Departments and Sub Councils.	August - October
12.2 Notice Period of Advert.	30 days
12.3 Applications considered by Line Departments and Sub Councils during first screening	September - November
12.4 Line Departments and Sub Councils submit recommendations to the IGAC	End of November
12.5 IGAC performs the second screening	December-January
12.6 IGAC submits the particulars of recommended applications in respect of Sub Council Grants to the Budget Department for inclusion in the draft budget	End of February
12.7 Line Departments submit the particulars of the recommended	

applications to the relevant Portfolio Committee	End of February
12.8 Budget Department submits the Grants draft budget in respect of Sub Council and Line Department grants for consideration by Executive Mayor and Mayoral Committee	March
12.9 Council considers Grants-in-Aid in Draft Operating Budget in terms of Section 17(3) (j) of MFMA.	End of March
12.10 Public Participation Process	April
12.11 Council approves Budget	End of May
12.12 Line Departments and Sub Councils inform successful / unsuccessful applicants of grants approved and not approved and arrange for MOA to be completed and signed by successful applicants.	After 1 June
12.13 Line Departments and Sub Councils submit completed and signed MOA and all other relevant documentation to the Expenditure Department to process grant payments.	After 1 July

13. Monitoring of Grants in Aid

13.1 Section 67 (3) of the MFMA stipulates that the AO is responsible for the monitoring of the allocations. Any delegations relating to this matter must be taken into consideration.

13.1.1 Line Departments and Sub-Councils must monitor the grants once awarded to ensure that grants allocated are utilized exclusively for the purpose defined in the MOA signed by the successful applicants.

13.1.2 Successful applicants are required to submit monthly review/progress reports to the Line Departments or Sub-Councils in terms of Section 67(1) (a) (iii) of the MFMA. Payment or part payment of grants may be allocated based on project review/progress.

13.1.3 Where grants (amounts limited to the prescribed limit – currently R15, 000.00) are made to organisations or bodies serving the poor, in terms of Section 67(4) of the MFMA, the responsible Line Department or Sub-Council must ensure that the targeted beneficiaries receive the benefit. These organisations or bodies will also be required to complete a basic Income and Expenditure Statement to be drafted by the CFO. This statement must be signed by the relevant official of the organisation or body and must be submitted, together with the relevant vouchers and receipts to the CFO at the completion of the projects.

- 13.1.4 Where it is found that grants are not being used in terms of the MOA, the provisions contained in the MOA must be invoked and the matter must be reported to the AO and the IGAC.

14. Budget provisions and Accounting Treatment

14.1 For Budget and Accounting purposes, it is required that:-

- 14.1.1 All Grants-in-Aid allocations on the Operating Budget are provided for and spent against Cost Element 457100 - Grants-in-Aid under each respective Cost Centre. Cost Element 457100 may only be utilised for Grants-in-Aid expenditure incurred in terms of this Policy.
- 14.1.2 Grants are managed as projects with individual grants being allocated a WBS number (N Project) in order for the Operating Budget provision to be released and the expenditure to be incurred in the relevant SAP module.
- 14.1.3 The narrative fields have to be completed when processing payments in order to identify and monitor the various grant payments.

15. Funding Acknowledgement

- 15.1 Successful applicants will be requested to acknowledge the City as the provider of grant funding in their funding record as well as any public record in respect of grants received in order to confirm that the allocation of Grants-in-Aid are also part of the City's endeavours to meet its strategic objectives.

“156. Powers and functions of municipalities. –

- (1) A municipality has executive authority in respect of, and has the right to administer-
 - (a) the local government matters listed in Part B of Schedule 4 and Part B of Schedule 5; and
 - (b) any other matter assigned to it by national or provincial legislation.
- (2) A municipality may make and administer by-laws for the effective administration of the matters which it has the right to administer.
- (3) ...
- (4) ...
- (5) A municipality has the right to exercise any power concerning a matter reasonably necessary for, or incidental to, the effective performance of its functions.”

SCHEDULE 4

PART B

The following local government matters to the extent set out in section 155(6)(a) and (7):

- Air pollution
- Building regulations
- Child care facilities
- Electricity and gas reticulation
- Fire-fighting services
- Local tourism
- Municipal airports
- Municipal planning
- Municipal health services
- Municipal public transport
- Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law
- Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto
- Stormwater management systems in built-up areas
- Trading regulations
- Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems

SCHEDULE 5

PART B

The following local government matters to the extent set out for provinces in section 155(6)(a) and (7):

Beaches and amusement facilities

Billboards and the display of advertisements in public places

Cemeteries, funeral parlours and crematoria

Cleansing

Control of public nuisances

Control of undertakings that sell liquor to the public

Facilities for the accommodation, care and burial of animals

Fencing and fences

Licensing of dogs

Licensing and control of undertakings that sell food to the public

Local amenities

Local sport facilities

Markets

Municipal abattoirs

Municipal parks and recreation

Municipal roads

Noise pollution

Pounds

Public places

Refuse removal, refuse dumps and solid waste disposal

Street trading

Street lighting

Traffic and parking

MEMORANDUM OF AGREEMENT

Entered into by and between “the Parties” being

THE CITY OF CAPE TOWN

Herein represented by _____ in his/her capacity as _____, he/she being duly authorized thereto (hereinafter referred to as “the City”)

AND

Herein represented by _____ in his/her capacity as _____, he/she being duly authorized thereto (hereinafter referred to as “the Beneficiary”)

WHEREAS the City has agreed to allocate the sum of R _____ (_____) to the Beneficiary and the Beneficiary has agreed to accept the money, subject to the conditions stipulated hereinafter;

WHEREAS the Beneficiary agrees to apply such allocated amount of money for the purposes of funding the programme as set out in the attached project/programme description, business plan and/or service delivery agreement attached as Appendix __, which project/programme description, business plan or service delivery agreement forms part of this agreement.

NOW THEREFORE THE PARTIES AGREE AS FOLLOWS:

- 1. The City shall effect payment of the sum of R _____ (_____) to the Beneficiary in a lump sum or by instalments as follows: _____

and the Beneficiary accepts the money allocated, subject to the following terms and conditions.

2. **The Beneficiary** undertakes to provide **the City** with the details of a separate bank account opened at any registered bank within the Republic of South Africa within 7 (seven) days of the date of signing of this agreement in order to allow **the City** to deposit the funds directly into such bank account.
3. **The Beneficiary** herewith confirms that effective, efficient and transparent financial management and internal control systems are in place.
4. **The Beneficiary** will have provided **the City** with a copy of its most recent audited financial statements or audit certificate (where applicable), prior to the signing of this agreement, as part of **the City's** assessment process.
5. **The Beneficiary** undertakes to prepare financial statements in respect of the financial years for which this agreement is or remains in force, and undertakes to have these financial statements audited by a registered accountant.
6. **The Beneficiary** serving the poor in compliance with Section 67 (4) undertake to prepare an abridged Income and Expenditure Statement as drafted by the CFO in respect of the financial year for which this agreement is or remains in force, and submit this together with the necessary vouchers, receipts and other relevant documents to the CFO. Such Income and Expenditure statement to be signed by the duly authorised person of **the Beneficiary**.
7. **The Beneficiary** herewith confirms and acknowledges that the funds may only be utilized for the purpose for which it was approved.
8. **The Beneficiary** must ensure that the funds earn interest at competitive rates until it can be utilized for the purpose for which it was approved. Interest earned must be credited to the account opened in terms of clause 2 and may only be utilized for the benefit of the approved project.
9. **The Parties** agree that in the event that the project does not commence within 6 (six) months after the funds were deposited into the bank account of **the Beneficiary**, all funds paid by **the City** in respect of this project/programme must immediately be refunded to **the City**, with all interest accrued.
10. **The Parties** agree that, on completion of the project/programme, any unutilised funds and interest earned thereon will be paid back to **the City** within one month or on a date as determined by **the City**.
11. **The Beneficiary** undertakes to retain all expenditure vouchers, including cashed cheques, indicating the project number, etc. for audit purposes and in the case of paragraph 6 above for submission to the CFO.
12. **The Beneficiary** undertakes to submit to **the City (Director or Sub Council Manager :.....)** monthly reports reflecting expenditure incurred against the funds deposited. The **City** retains the right to request more frequent expenditure reports if deemed necessary.
13. Audited financial statements in the case of paragraph 5 above and duly signed Income and Expenditure statements in this case and paragraph 6 above, which

disclose the total allocation of funds from **the City**, total interest earned and total expenditure, must be forwarded to **the City (Director or Sub Council Manager:.....)** within three months of the end of **the Beneficiary's** financial year in respect of the financial years for which this agreement is or remains in force.

14. **The Beneficiary**, on completion of the project or at least annually, must submit a comprehensive report, prepared by its Director, Chief Executive Officer or other most senior member of its management team or duly authorised official/representative, as the case may be **to the City (Director or Sub Council Manager:.....)**, pertaining to the project funds allocated and which refers to:
 - the functions and objectives of **the Beneficiary** organization provided for by law or in terms of this agreement;
 - the extent to which **the Beneficiary** achieved the objectives for which the funds have been provided; and
 - any other appropriate performance information regarding the economical, effective, efficient and appropriate utilization of the funds by **the Beneficiary**.
15. **The City** has the right to withhold any funds payable to **the Beneficiary** in terms of this agreement, until all reports referred to in clause 12 have been received.
16. In the event that **the Beneficiary** does not comply with any or all of the conditions as set out in this agreement, or conditions as set out in any project/programme description, business plan or service delivery agreement attached to this agreement as an appendix, **the City** shall be entitled to immediately and without notice cancel this agreement and claim back all the funds allocated together with interest accrued, and to stop all future payment/s with regard to the project/programme of **the Beneficiary**, without detriment to any other remedy which may be available to it in law.
17. Each of **the Parties** chooses its domicilium citandi et executandi for the purposes of the giving of any notice, the serving of any legal process and for any purposes arising from its Agreement at their respective addresses set forth hereunder:

The Beneficiary: _____

The City: _____

Any notice to any party shall be addressed to it at its domicilium aforesaid and be sent either by pre-paid registered post or be delivered by hand. In the case of any notice:

- sent by pre-paid registered post, it shall be deemed to have been received, unless the contrary is proved, on the seventh day after posting; and,

- delivered by hand, it shall be deemed to have been received, unless the contrary is proved, on the date of delivery, provided such date is a business day or otherwise on the next following business day.

Any of **the Parties** shall be entitled by notice in writing to the other, to change its domicilium to any other address within the Republic of South Africa, provided that the change shall become effective only fourteen (14) working days after the service of the notice in question;

Any notice addressed to **the City** shall be required to be addressed to the AO, for the attention of _____ to be deemed to have been effectively delivered of served.

- This Agreement** and the attached business plan or service delivery agreement, constitute the entire agreement between the Parties regarding the subject matter hereof. No agreements, guarantees of representations, whether verbal or in writing, have been concluded, issued or made, upon which either party is relying in concluding **this Agreement**, save to the extent set out herein.
- No variation of, or addition or agreed cancellation to **this Agreement** shall be of any force or effect unless it is reduced to writing and signed by or on behalf of **the Parties**.
- If any of the clauses of **this Agreement** or Appendices thereto are found to be invalid or not binding on the Parties, such finding will not affect the validity of **this Agreement** and **the Parties** agree to be bound by the other provisions of **this Agreement**.

SIGNED AT _____ ON THIS ____ DAY OF _____ 20__

AS WITNESSES:

1. _____

(Name in capital letters)

THE CITY

Duly represented by _____

(Name in capital letters)

in his/her capacity as _____

2. _____

(Name in capital letters)

SIGNED AT _____ ON THIS _____ DAY OF _____ 20__

AS WITNESSES:

1. _____

(Name in capital letters)

THE BENEFICIARY

Duly represented by _____

(Name in Capital Letters)

in his/her capacity as _____

2. _____

(Name in capital letters)