



Western Cape  
Government

BETTER TOGETHER.

Department of Social Development:  
Policy on the Funding of Non-Government Organisations  
for the Provision of Social Welfare and Community Development Services

**DECEMBER 2017**

## TABLE OF CONTENTS

SUBJECT	PAGE NO
<b>CHAPTER 1</b>	3
1. Background 2. Core Principles 3. Definitions	
<b>CHAPTER 2</b>	7
4. Roles and Responsibilities of Department of Social Development Officials and Office Bearers	
<b>CHAPTER 3</b>	11
5. Funding of Social Welfare Services and Community Development Services 6. Methods of Funding of NGOs 7. Notification of Funding Opportunities 8. Assessment of Business Plans 9. Funding Agreements	
<b>CHAPTER 4</b>	16
10. Monitoring, Evaluation and Reporting	
<b>CHAPTER 5</b>	17
11. Consultative forum 12. Policy implementation guidelines 13. Communication	
<b>Short title</b>	17
<b>ANNEXURES</b>	
A: Legislation and Policy Framework influencing the Funding Policy B: References	

## POLICY

- **Western Cape Provincial Strategy for the Provision of Child and Youth Care Centres 2016:** This strategy governs the provision of an adequate spread of residential care for children through CYCCs across the continuum of care and relevant centre-based programmes throughout the province, aligned with the province's specific needs, circumstances, budgetary allocations and infrastructure availability.
- **Quality Assurance Framework for performance monitoring of social welfare and community development service delivery 2015:** This provincial framework is aligned to the national Quality Assurance Framework for Social Welfare (2013) and proposes comprehensive performance monitoring through a quality assurance approach for community development and social welfare services in the Department as well as the NPO sector in this province. It also focuses on quality improvement in service delivery and defines the standards of service excellence and how it should be monitored and managed.
- **The Quality Assurance Strategy for Child and Youth Care Centres 2015:** This strategy ensures quality assurance is conducted at CYCCs as mandated by Section 211 and regulation 89 of the Children's Act.
- **Enhanced provision of Multi-programme Centres Strategy 2015:** The development and management of a strategy to ensure an appropriate spread of properly resourced, coordinated and managed CYCCs in the province, providing the required range of residential care programmes as contemplated in Section 192 of the Children's Act.
- **Western Cape Youth Development Strategy 2013:** "The purpose of the (provincial) youth development strategy (is) to create more support, opportunities and services for all young people to better engage with their environment and successfully transition into responsible, independent, and stable adults. It focuses on young people in the pre-youth phase between 10 and 14 years of age and the 'youth' phase between 15 and 24".<sup>7</sup>
- **National Policy on the Provision of Social Development Services to Persons with Disabilities 2013:** The main purpose is to guide and coordinate the provision of mainstreamed social development services to persons with disabilities. Its aim is to ensure that the dignity and rights of all persons with disabilities is preserved and met, through the provision of relevant socio-economic programmes and services that ensure their inclusion.
- **The Framework for Social Welfare Services (2011)** This national framework is aligned with the Integrated Service Delivery Model (ISDM) and makes provision for a standardized process through which social workers will provide generic social welfare services that are of requisite quality, comprehensive, integrated, rights based and appropriately resourced.
- **The Generic Norms and Standards for Social Welfare Services (2011)** Provide the benchmarks for the provision of quality social welfare services and form part of the Framework for Social Welfare Services.

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<sup>7</sup> Extract from the Foreword of Western Cape Youth Development Strategy 2013, by Premier Helen Zille.

- The South African Council for Social Service Professions (SACSSP) has developed the **Draft Code of Good Practice and Responsibilities of Employers of Social Service Practitioners (2012)**. Presently only social workers, student social workers and social auxiliary workers are required to register with the SACSSP under the Professional Board for Social Work. However, the ambit of registration may also extend to other practitioners within the social service sector and proposes the inclusion of other, but is not limited to child and youth care workers, community development workers, youth workers, criminologists and victimologists.

## **ANNEXURE B**

### **References**

1. 2013/14 Annual Performance Plan of the Western Cape Government: Department of Social Development
2. 2014/15 Annual Performance Plan of the Western Cape Government: Department of Social Development
3. 2011 Western Cape Provincial Government Policy on the Funding of Non-Governmental Organisations for the Rendering of Social Welfare Services.
4. National Department of Social Development: Policy on Financial Awards to Service Providers
5. Code of Conduct for the Public Service, 1997
6. Explanatory Manual on the Code of Conduct for the Public Service, 2002

## CHAPTER 1

### 1. Background

- 1.1 Transfer payments represent a large part of the Western Cape Government: Department of Social Development's (DSD) spending and contributes significantly to the lives of the poor and vulnerable in the Western Cape Province. They are monetary payments to non-government organisations (NGOs) in order to further the Policy objectives and priorities of the DSD most notably to provide services to vulnerable groups such as minor children, youth, women, older persons and people living with disabilities
- 1.2 The purpose of this Policy is to ensure that transfer payments are managed in a transparent manner that promotes accountability, access, efficient administration, clear performance requirements, and the principles of administrative justice to enable the DSD to achieve its mission of providing a comprehensive network of social development services that enables and empowers the poor, the vulnerable and those with special needs.
- 1.3 This policy sets out the roles and responsibilities of the DSD in the delivery and management of transfer funding to NGOs for the provision of social welfare and community development services in the Western Cape Province.
- 1.4 This policy must be read in conjunction with other related policies and procedures as may from time to time be developed or amended to enable its effective implementation.

### 2. Core Principles

- 2.1 The DSD will allocate the annual transfer funding provided by a Vote of the Provincial Parliament to the DSD to the NGO sector on the basis of the following core principles:
- 2.2 Accountability and Transparency: Public funds allocated for addressing social welfare or community development needs will be utilized for its intended purpose in such a manner that it can be accounted for to the public and competent statutory bodies;
- 2.3 Appropriate prioritisation: funds will be prioritised on the basis of the types of services based on needs assessment by the DSD and using the best available data;
- 2.4 Capacity building: where appropriate, capacity building and support will be provided to small and emerging NGOs to render social welfare and community development services in order to develop local capacity, especially in non-metro and rural areas;
- 2.5 Efficiency and cost-effectiveness: A focus on results that meet the prioritised needs of citizens as reflected in the DSD's Annual Performance

Plan (APP), while making the best possible use of resources, and rewarding projects that perform well;

2.6 Equity: The distribution of resources based on needs and priorities as determined by the mandates and medium term objectives as defined in the DSD APP and strategic plan. NGOs shall be given equitable access to apply for funding for social welfare and community development projects by adequate notification of funding availability through print media adverts and, in respect to currently funded NGOs, departmental circulars and through a fair process of assessment and allocation of funding on the basis of these core principles;

2.7 Professionalism, best practice and ethics: Staff involved in administering this NGO funding policy and, staff of the DSD in general, will at all times conduct themselves in a professional manner where applicable, specifically:

- Within the ethical framework and governing practices of professional councils such as the South African Council for Social Service Professionals;
- Within regulatory requirements and including the Code of Conduct for the Public Service and the Explanatory Manual on the Code of Conduct for the Public Service<sup>1</sup>; more specifically:
  - i. A staff member of the DSD may not serve on the board of an organisation/business which the department funds for the delivery of social welfare and/or community development services;
  - ii. No staff member may influence appointments or otherwise involve him or herself in any labour relations matters at NGOs funded by the DSD. Any exceptions to this rule must be recorded in this funding policy as proposed amendments for adoption and ratification by the Executive Authority.

Three exceptions currently apply:

- (1) The use of NGOs to implement Expanded Public Works Programmes on behalf of the DSD, where departmental staff may set criteria for recruitment and selection.
- (2) Where minimum salaries are determined for Social Workers, Social Work Supervisors and Social Work Managers whose posts are funded by the DSD.

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<sup>1</sup> Attention should be paid to sections 4.22; 4.3.3; 4.4.5 and 4.4.6 in the Explanatory Manual on the Code of Conduct. 4.4.5 uses as a specific example, that a staff member, " ... may not serve on the board of an organisation/business with which his or her department does business." Page: 38.

(3) The use of NGOs to run the Youth Outreach Programme on behalf of the DSD, where departmental staff may serve on the recruitment and selection panels of the Youth Team Leaders of the Youth Outreach Programme.

iii. In keeping with the June 1997 Code of Conduct for Public Servants issues by the Public Service Commission and, to ensure unbiased service delivery to the Public, a staff member of the DSD shall not be in the employ - part time or otherwise - of any organisation/business to whom the DSD awards transfer funding and/or makes transfer payments for the delivery of social welfare and/or community development services.

### **3. Definitions**

- 3.1 "Accounting Officer of the DSD" refers to the Head of the Department of Social Development in the Western Cape Government.
- 3.2 "Annual Performance Plan or APP" means the plan that provides information on what the DSD intends implementing during the upcoming financial year to implement its Strategic Plan. The APP provides annual performance indicators for the programmes of the DSD;
- 3.3 "Business Plan" means a detailed plan of the manner in which the NGO intends to provide social welfare or community development services to beneficiaries and the utilisation of resources together with the supporting documentation stipulated by the DSD through its eligibility criteria and specifications.
- 3.4 "Community development services" means a service which has as its primary objective the promotion of development programmes, primarily that of youth development, poverty alleviation and sustainable livelihood and, institutional capacity building for NPOs, that facilitate the empowerment of communities. These community development services may from time to time be augmented in accordance with National Treasury instructions and when a budgetary allocation is assigned by the DSD;
- 3.5 "Developmental Social Welfare" means the maximisation of human potential and fostering self-reliance and participation in decision making. It concentrates on the causes and effects of social vulnerability and marginalisation and the delivery of integrated services to communities, families and persons affected by these phenomena.
- 3.6 "Emerging Organisation" means those organizations that are new in the field of social welfare services that do not yet have the capacity and resources to sustain themselves;

- 3.7 "Evaluation" means a systematic and objective examination of a project to determine its efficiency, effectiveness, outputs, impacts, sustainability and relevance in terms of its objectives;
- 3.8 "Executive Authority" means the member of the Executive Council responsible for the particular portfolio. In terms of this policy, the portfolio is Social Development.
- 3.9 "MEC" means the Minister of Social Development. The MEC is the Executive Authority of the DSD;
- 3.10 "Monitoring" means the continuous or periodic surveillance of the physical implementation of a project during the life-cycle of such project to ensure that inputs, outputs and external factors are proceeding according to plan;
- 3.11 "Multidisciplinary team" is a team consisting of various professionals for example, but not limited to, psychologists and registered nurses, in addition to social workers that are required to ensure effective implementation of a specific social welfare service;
- 3.12 "Non-Government Organisation or NGO" means a non-government organisation that is rendering or associated with social welfare or community development services and include NPOs;
- 3.13 "Non-Profit Organisation or NPO" means a trust, company or other association of persons established for a public purpose, the income and property of which may not be distributed to its members or office-bearers except as reasonable compensation for services rendered;
- 3.14 "Social welfare services" means a service which has as its primary objective the promotion of developmental social welfare;
- 3.15 "Programme 2, 3, and 4" refers to the budget programmes in the APP of the DSD and for the purposes of this Policy contains the sub-programmes: Services to Older Persons; Services to Persons with Disabilities; Care and Services to Families; Child Care and Protection; ECD and Partial Care; Child and Youth Care Centres; Community Based Care Services to Children; Crime Prevention and Support; Victim Empowerment; Substance Abuse Prevention and Rehabilitation.
- 3.16 "Programme 5" means the budget programme in the APP of the DSD and for the purposes of this Policy contains the sub-programmes: Youth Development as well as Poverty Alleviation and Sustainable Livelihoods
- 3.17 "Project" means a planned activity or sets of activities designed to achieve certain specific objectives within a given budget and within a specified period of time;
- 3.18 "Transfer Payment Agreement" means the written contract between the DSD and relevant NGO concluded prior to the provision and transfer of a funding allocation;



- 3.19 "Unsolicited business plan" means a business plan received from an NGO or the NGO sector that was not in response to the funding notification process of the DSD as contained in Chapter 3 of this policy.

## CHAPTER 2

### **4. Roles and Responsibilities of Provincial Government Officials and Office-Bearers**

#### **4.1 MEC**

- 4.1.1 Provides strategic direction to the DSD;
- 4.1.2 Approval of budget programme purpose, objectives, expected results and outcomes;
- 4.1.3 Approval of the DSD funding/transfer payment priorities;
- 4.1.4 Consults with HOD on funding allocations to NGOs;
- 4.1.4 Approval of final funding allocations to NGOs in terms of alignment to DSD policy and strategic objectives.

#### **4.2 Accounting Officer of DSD**

- 4.2.1 Approval of final transfer funding allocations to NGOs in conjunction with the MEC. Accounting Officer is responsible for financial approval of transfer funding;
- 4.2.2 Approval of eligibility criteria for allocation of funding to NGOs;
- 4.2.3 Certifies that the funding allocations per NGO schedule recommended by Chief Directors: Programme 2; 3; 4 and 5 comply with all eligibility criteria;
- 4.2.4 Enters into written agreements with NGOs for the provision of social welfare and/or community development services as prescribed via the DSD approved financial delegation of powers<sup>2</sup>.

#### **4.3 Chief Financial Officer**

- 4.3.1 Assesses the extent to which a budget submission from a budget holder for the approval of the funding to a NGO complies with all applicable financial statutory requirements in terms of Provincial Treasury Instruction 2.2.1 and advises the accounting officer accordingly; and

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<sup>2</sup> A budget submission approved by the Accounting Officer and MEC may be used to assign authority to enter into a transfer payment agreement on behalf of the Department to the budget holder of sub-programmes provided that the budget holder is in possession of a written confirmation that she/he has been so appointed.

4.3.2 Provides quarterly expenditure reports on transfer funding payments versus committed allocations per budget sub-programme to programme directors, chief directors and the accounting officer.

#### **4.4 Chief Directors: Programme 2; 3; 4 and 5**

4.4.1 Ensure that the application of allocated funding is incorporated in the DSD APP and aligned with the DSD strategic plan;

4.4.2 Inform NGOs of funding for the provision of social welfare and community development services by notices to this effect in the print media (mainstream provincial as well as community print media) and in respect of currently funded social welfare NGOs, via a departmental circular;

4.4.3 Assess the written recommendations of Programme 2; 3; 4 and 5 directors for the approval or rejection of funding allocations to NGOs in terms of the core principles of this funding policy (set out in Chapter 1) the core funding allocation eligibility criteria and sub-programme specifications (set out in Chapter 3), and make a final recommendation to the Accounting Officer on each NGO funding allocation;

4.4.4 Enters into written agreements with NGOs for the provision of social welfare or community development services as prescribed via the DSD approved financial delegation of powers;<sup>3</sup>

#### **4.5 Directors: Programme 2; 3; 4 and 5**

4.5.1 Ensure Project/service provision alignment, scheduling, implementation, risk management and unblocking of obstacles to effective and efficient sub-programme implementation by:

4.5.1.1 Ensuring that Transfer Payment Agreements accurately reflect the specific services and expected targets of the NGO and;

4.5.1.2 Ensuring that where a NGO is awarded only part of the requested funding, that the correspondence advising them thereof, provide clear reasons for the allocation.

4.5.2 Where a notification of funding opportunities as indicated in clause 7 hereunder is required, develop the service delivery specifications and obtain approval from the relevant Chief Director for the publication – whether through print media advertising, departmental circular or limited invitation – thereof;

4.5.3 Function as the central point for receipt of Business Plans and applications only in respect of clause 7.5 (limited invitation to submit business plan) and 7.6 (unsolicited business plans) record and acknowledge receipt thereof;

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<sup>3</sup> As indicated in footnote 1 above.

- 4.5.4 In accordance with clause 8 hereunder, ensure that NGOs making application in terms of clause 7.5 and 7.6 are advised in writing of the status – whether successful or unsuccessful - of their applications;
- 4.5.5 Make written recommendations (based on compliance with the core principles and funding allocation criteria and sub-programme specifications as set out in Chapters 1 and 3) for the approval of funding allocation to individual NGOs to the Chief Director, detailing how the allocation contributes toward the relevant APP performance indicators within available budget;
- 4.5.6 Ensure sub-programmes carry out Monitoring of NGOs against their stipulated Transfer Payment Agreement contribution to the DSD APP performance indicators and any other relevant indicators required for quality control or operational level reporting as incorporated in their Transfer Payment Agreements;
- 4.5.7 Enters into written agreements with NGOs for the provision of social welfare or community development services as prescribed via the DSD approved financial delegation of powers<sup>4</sup>;
- 4.5.8 Certify that the NGO has delivered services of a satisfactory standard and meets the performance, financial and all reporting requirements as determined by the Transfer Payment Agreement entered into between the Department and the NGO;
- 4.5.9 Where necessary ensure that NGOs implement corrective action plans.

**4.6 Programme Managers: Programme 2; 3; 4 and 5**

- 4.6.1 Assess Business Plans submitted to DSD by NGOs using the predetermined eligibility criteria and make written recommendations to Programme director with respect to whether or not a particular NGO complies with stated eligibility criteria and sub-programme specifications and should be considered for a funding allocation to provide social welfare or community development services;
- 4.6.2 Assess currently funded NGOs based on core eligibility criteria and predetermined specifications and make recommendations in respect of whether or not the existing funding agreement should be extended and, if the latter, the period of extension;
- 4.6.3 Enters into written agreements with NGOs for the provision of social welfare or community development services as prescribed via the DSD approved financial delegation of powers<sup>5</sup>;
- 4.6.4 Function as the central point for receipt of quarterly monitoring reports from NGOs on performance against their Transfer Payment Agreement stipulated contribution to APP indicators (together with stipulated

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<sup>4</sup> As indicated in footnote 1 above

<sup>5</sup> As indicated in footnote 1 above.

supporting documentation) as incorporated in the Transfer Payment Agreement and maintain records thereof;

- 4.6.5 Monitor service delivery implementation in accordance with the sub programme's Monitoring & Evaluation plan;
- 4.6.6 Ensure the compilation, quality assurance and authorization of a Transfer Payment Agreement for each NGO approved for funding in terms of this policy.
- 4.6.7 Assess the quarterly reports provided by NGOs and make recommendations to the programme director in respect of the following:
  - 4.6.7.1 The standard of service delivery provided;
  - 4.6.7.2 Whether or not the performance information provided is aligned to the performance indicator(s) as prescribed in the signed transfer payment agreement between the Department and the NGO;
  - 4.6.7.3 Whether or not the information contained in the source document prescribed in the transfer payment agreement entered into between the Department and the NGO, supports and verifies the performance information provided in the quarterly report; and
  - 4.6.7.4 Whether or not the NGO has met all the reporting requirements as determined by the transfer payment agreement entered into between the Department and the NGO.

#### **4.7 Deputy Director: Programme Funding Office**

- 4.7.1 Ensure that print media notifications or departmental circulars clearly state the requirements of the DSD, which should be based on APP performance indicators for the relevant social welfare or community development service being advertised;
- 4.7.2 Quality assurance of all Business Plans and applications to ensure that all documentation as indicated in print media notifications and departmental circulars has been submitted;
- 4.7.3 Function as the central point for receipt of Business Plans and applications in response to print media notifications and departmental circulars, record and acknowledge receipt of all Business Plans and applications;
- 4.7.4 Function as the central point for receipt and assessment <sup>6</sup>of audited annual financial statements from NGOs, and maintains records thereof;

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<sup>6</sup> Audited financial statements will be assessed to ensure that the audit findings provide proof of capability with respect to good governance and financial management

- 4.7.5 Provide assurance of NGO registration in terms of the applicable legislation; and
- 4.7.6 Responsible for the maintenance of records on each funded NGO in a filing system that must include all submitted Business Plans, applications, quarterly reports with supporting documentation and audited financial statements.
- 4.7.7 Ensure the development, continuous updating and maintenance of a central database (one point of truth) of all funded NGOs.

### **CHAPTER 3**

#### **5. Funding of Social Welfare and Community Development services**

- 5.1 The DSD shall, within its available budgetary resources (as provided for annually by a Vote of the Provincial Parliament), make funds available for the provision of statutory social welfare services and approved priority social welfare and community development services to achieve the progressive realization of social services rights pertaining to children, older persons, and other vulnerable members of society as envisaged in the Constitution of the Republic of South Africa;
- 5.2 Funding will be considered in accordance with Business Plans and application forms submitted by NGOs which set out the main cost-drivers of each Project/service output. The DSD shall analyse the Business Plan and application forms in terms of the DSD approved eligibility funding criteria and predetermined specifications and, if necessary, engage with the NGO to secure optimal and appropriate costing for the said outputs using one or more of the methods listed in clause 6 hereunder.

#### **6. Methods of funding of NGOs**

The following funding methods will be used in respect of social welfare services that are aligned to the DSD's APP:

- 6.1 Project or service outputs must be specifically quantified in the Business Plan, and delivery thereon monitored by the budget holder on a quarterly basis. Where the output is to ensure the availability of a registered social work professional in the service of a geographic area where the DSD does not have a presence, further specific quantifiable project or service outputs do not need to be stipulated;
- 6.2 The unit cost funding method will, where possible, be utilized for the funding of residential and non-residential services. It is used for benchmarking purposes and may include other funding options depending on the outcomes and outputs of the services to be so funded. This will enable DSD to regularize the costing of social welfare services; benchmark services (norms and standards) in accordance with the services included in the unit cost and implement funding level increases as additional funding becomes available. The unit cost shall be reviewed on an annual basis

- 6.3 The post funding method - which may include posts associated with multidisciplinary teams - may, where possible be utilized to determine funding allocations specifically for social welfare services. Post costs will be reviewed on an annual basis and funding level increases may be implemented as additional funding becomes available;
- 6.4 Funding may include seed funding for emerging organisations, pilot/new projects, funding for non-consumables such as furniture, equipment, accommodation and vehicle rental as required to render a specific programme or project.

## **7. Notification of Funding Opportunities**

- 7.1 The DSD will on an annual basis – or when so required - before the commencement of the new financial year notify the NGO sector in all three official languages of the Province by means of print media adverts and the DSD website of possible funding for social welfare and/or community development services by calling for proposals in the form of detailed business plans to be submitted by interested NGOs. In the case of currently funded organisations a departmental circular will be issued outlining the criteria to be applied and process to be followed as indicated in the print media advert and on the DSD website.
- 7.2 The DSD will allow a period of at least six weeks from closing date of the notification for such Business Plans as contemplated in 7.1 to be submitted; where-after DSD shall commence the assessment of the Business Plans received. Currently funded NGOs will have undergone a period of continuous assessment throughout the financial year and will be notified of the possible funding allocation before the commencement of the new financial year.
- 7.3 The notification of possible funding shall clearly state the criteria and specifications governing the allocation of funding and, the notice together with the criteria and specifications shall be deemed to be the total requirements of the DSD in the event that a DSD funding allocation decision is challenged.
- 7.4 Upon receipt of the Business Plan(s) of an NGO, the DSD must acknowledge this receipt in writing.
- 7.5 The DSD, from time to time, identifies gap(s) in the delivery of its planned, funded services as set out in its APP and/or approved departmental strategies arising after the notification of funding opportunities as set out in clauses 7.1 to 7.4 have been exhausted. In such instances, in order to ensure service delivery, the DSD may, upon approval from the Accounting Officer and Executive Authority of the DSD, carry out a limited invitation to NGOs to submit business plans to provide the services necessary to fill the service delivery gap(s). The terms of the limited invitation must be clearly stipulated in a budget submission to the Accounting Officer and Executive Authority by the relevant Chief Director;

7.6 Unsolicited business plans received from the NGO sector may be considered either:

7.6.1 After the processes contemplated in clause 7.1 – 7.4 have been exhausted and adequate funding remains available for allocation; or

7.6.2 Where service delivery is considered by the DSD to be compromised i.e. contracted service(s) is not being delivered. In such a scenario, the DSD will notify the NGO sector using the methods for advertising as outlined in clause 7.1 The NPO providing the unsolicited business plan will also be notified in writing of the Department's intention to advertise for the service.

7.6.3 In either case, the proposed funding allocation must be presented via written submission with the relevant motivation and other details for consideration by the Accounting Officer and Executive Authority

## **8. Assessment of Business Plans**

8.1 Only Business Plans submitted in terms of clause 7 above that meet the requirements of the DSD as set out hereunder will be considered for an allocation of funding;

8.2 The minimum compliance criteria required for NGOs to obtain funding from the DSD are the following:

8.3 Compliance with the following legislation where appropriate:

8.3.1 Legislative Compliance:

8.3.1.1 Non- Profit Organisations Act, 71 of 1997;

8.3.1.2 Companies Act, 71 of 2008;

8.3.1.3 Section 30 of the Income Tax Act, 58 of 1962;

8.3.1.4 Trust Property Control Act, 57 of 1988;

8.3.1.5 Service specific legislation namely the Older Persons Act, No 13 of 2006; Children's Act, No 38 of 2005; Prevention and Treatment for Substance Abuse Act, No 70 of 2008; and

8.3.1.6 Section 38(1)(b) and Section 38 (1)(j) of the Public Finance Management Act 1 of 1999 as amended and National Treasury Regulations promulgated in terms of this Act.

8.4. Alignment with DSD strategic priorities as indicated via the performance indicators and programme priorities in the APP and service delivery gaps identified via evidence based on valid and

reliable research methods.

8.5 Evidence of track record of previous performance:

In the case of NGOs currently funded by the DSD and/or NGOs that have been funded within three (3) years of the current notifications as indicated in clause 5 above and/or NGOs who are being considered for funding for the first time by the DSD, in addition to compliance with clause 8.3.1 to 8.4, the following will be considered as part of the assessment process

8.5.1.1 An onsite line monitoring or rapid assessment report certified by the delegated relevant Programme authority as representing satisfactory performance with respect to the outputs, targets, reporting duties and financial compliance as determined by the NGOs current Transfer Payment Agreement with the DSD;

8.5.1.2 A capacity assessment report certified by the delegated relevant Programme authorities that indicates that the NGO is able to provide the services required.

8.6 Where a Business Plan is submitted by an NGO on behalf of another NGO, then such NGO must furnish proof of its mandate from and affiliation to such NGO.

8.7 The DSD will assess the Business Plans and supporting documentation submitted in terms of clause 8.

8.8 Within two (2) weeks from the date of approval of funding allocations, all NGOs shall be notified by the Accounting Officer of the outcome of the funding process.

8.9 Where an organisation's funding application is partially approved, it should be informed of the right to request written reasons for the decision made. These reasons could alternatively, be included in the letter wherein the decision regarding the funding application is communicated. Where it is included in such letter, the organisation should also be informed of the right to judicial review.

8.10 Contestations arising out of the acceptance or rejection of Business Plans must be referred to the Head of Ministry of Social Development in writing within seven (7) calendar days after despatch of such notification as set out in clause 8.8

8.10.1 The Head of Ministry will constitute a reference group composed of departmental officials to review and consider the contestations in terms of clause 7.3 where after the Head of Ministry shall make recommendations to the MEC for her/his consideration and decision with respect to the contestation(s).



8.10.2 Once a decision regarding the contestation(s) of an organisation has been made and communicated, the decision stands until it is set aside by a court

## **9. Funding Agreements**

- 9.1 The DSD must enter into Transfer Payment Agreements with NGOs after a funding allocation has been approved in terms of this Policy;
- 9.2 Transfer Payment Agreements concluded in terms of clause 9.1 must, inter alia, make provision for and include the following matters:
- 9.2.1 Contain a detailed description of the nature and extent of social welfare outputs;
  - 9.2.2 Include the Business Plan as an integral part of the agreement;
  - 9.2.3 Reflect clear and measurable service-specific targets, results, outputs, outcomes, and specific types of supporting documentation required reporting performance (as applicable) expected by DSD with specific reference to its alignment to the DSD's APP;
  - 9.2.4 Include financial arrangements, specifically intervals and method of payment and certification of invoices.
  - 9.2.5 Must indicate the method and frequency of monitoring and reporting arrangements;
  - 9.2.6 Clear definitions of circumstances causing suspension, cancellation and reduction of funding;
  - 9.2.7 Applicable penalties for non-compliance with the Transfer Payment Agreement.
- 9.3 The DSD shall determine the term of the Transfer Payment Agreement with a particular NGO having regard to inter alia the circumstances prevailing at the time of the allocation of funding and the nature of the Project or service provided.
- 9.4 NGOs are not permitted to alter the terms and/or conditions of the Transfer Payment Agreement without the express written consent of the Programme Budget Holder.
- 9.5 NGOs may not subcontract a social welfare and/or community development service for which it is funded to implement by the DSD, to any other organisation without written permission from the Accounting Officer and Executive Authority.
- 9.6 The DSD shall make available a list of all NPOs and the allocation awarded each NPO per sub-programme, via its transfer funding budget in its Annual

Report. The Annual Report including the list of funded NPOs will also be published on the DSD website.

- 9.7 In order to promote ethical research, DSD funded NGOs are requested to submit any research proposals involving funded services to the DSD Research Ethics Committee for appraisal prior to implementation.

#### CHAPTER 4

##### 10. Monitoring, Evaluation and Reporting

- 10.1 The DSD must monitor actual performance targets of NPOs as set out in the signed TPA and in accordance with Provincial and National Treasury requirements to ensure that the desired outputs are in conformity with that contained in the TPA and such Treasury requirements;
- 10.2 The DSD shall set performance targets in the Transfer Payment Agreements to be concluded with NGOs, such targets will be aligned with the planned outputs in the APP of the DSD;
- 10.3 The performance monitoring of NGOs shall be undertaken on a quarterly basis by way of the provision of quarterly reports by NGOs together with supporting documentation. The nature of the supporting documentation will be set out in the transfer payment agreement signed between the NGO and the DSD
- 10.4 The DSD shall conduct regular site visits to the funded NGOs;
- 10.5 The DSD will ensure that funded NGOs must ensure that adequate systems to collect and verify data and evidence for the services provided are implemented. If necessary, the DSD must assist the NGOs with establishing these systems to ensure compliance;
- 10.6 The DSD must notify funded NGOs that continuously fail to submit their quarterly reports that they may be ineligible for future funding by the DSD;
- 10.7 The DSD shall furthermore determine the effectiveness and success of the programmes that it undertakes and must design and conduct evaluations and impact studies in this regard through its Directorate: Research, Population and Knowledge Management with advice and assistance of the department's programme management.
- 10.8 Funded NGOs must participate in the performance evaluation processes of the DSD in accordance with prior and mutually agreed terms as stipulated in the Transfer Payment Agreements;
- 10.9 Funded NGOs shall be obliged to implement the required corrective measures emanating from such evaluations and as directed by the DSD in accordance with prior and mutually agreed terms as stipulated in the Transfer Payment Agreements.

## CHAPTER 5

### 11. Consultative forum

The MEC may institute a consultative forum comprising of four (4) senior managers from the DSD and no more than 10 members of the NGO sector to consult and advise him or her on any matters incidental to this Policy.

### 12. Policy implementation guidelines

The MEC may issue policy implementation guidelines from time to time to ensure improved implementation of this Policy.

### 13. Communication

The policy and subsequent amendments will be made available on the DSD website and MyContent and may be communicated through various social platforms as provided for in the approved Western Cape Government's Social Media Policy.

### 14. ADOPTION AND IMPLEMENTATION

The implementation date of this Policy is with effect from \_\_\_\_\_.

### 15. AUTHORISATION AND APPROVAL

RECOMMENDED

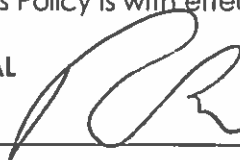
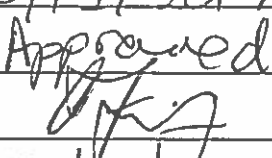
Head of Department

Date:

APPROVED

Executive Authority

Date:

  
\_\_\_\_\_  
  
\_\_\_\_\_  
15/12/2017  
Approved  
19/12/2017

#### Short title

This policy shall be known as the Western Cape Government: Department of Social Development: Policy on the Funding of Non-Government Organisations for the Provision of Social Welfare and Community Development Services ("the Funding Policy") and hereby rescinds all previous Funding Policies from date of its approval.

## ANNEXURE A

### Legislative and policy framework influencing the Funding Policy

The key legislative and policy frameworks referred to herein either relate to or makes provision for the management, registration, and financing of the delivery of social welfare services.

#### Constitutional mandates

Legislation	Impact on Department of Social Development functionality
Constitution of the Republic of South Africa Act, No. 108 of 1996	Section 28 (1) of the Constitution sets out the rights of children with regard to appropriate care (basic nutrition, shelter, health care services and social services) and detention.

#### Legislative and Policy Mandates

Legislation	Impact on the Department of Social Development functionality
White Paper for Social Welfare (1997)	The White Paper serves as a foundation for social welfare post 1994 by providing guiding principles, policies and programmes for developmental social welfare
White Paper: Population Policy for South Africa (1998)	The White Paper promotes sustainable human development and quality of life of all South Africans through integration of population issues into the development planning of different spheres of government and all sectors of society. The DSD is mandated by the policy to monitor its implementation and impact on population trends and dynamics in the context of sustainable human development.
White Paper on the Rights of Persons with Disabilities (2015)	The main purpose is to guide and coordinate the provision of mainstreamed social development services to persons with disabilities. Its aim is to ensure that the dignity and rights of all persons with disabilities is preserved and met, through the provision of relevant socio-economic programmes and services that ensure their inclusion.
Green Paper on the Family (2011)	The aim of the Green Paper is to foster family well-being, promote and strengthen families and family life and mainstream family issues into government wide policy making initiatives.

Legislation	Impact on the Department of Social Development functionality
Older Persons Act, No. 13 of 2006	The Act was operationalized by the Presidential Proclamation of 1 April 2010 and aims to empower and protect older persons inclusive of their status, rights, well-being, safety and security and combatting abuse against older persons. Emphasis was also shifted from institutional to community based care in order to ensure that older persons remain in their communities for as long as is possible. It deals with the establishment, registration and management of facilities and services for older persons.
Children's Act, No. 38 of 2005	Operationalized by the Presidential Proclamation of 1 April 2010, the Act defines the following: <ul style="list-style-type: none"> <li>o the rights and responsibility of children;</li> <li>o parental responsibilities and rights;</li> <li>o determines principles and guidelines for the protection of children;</li> <li>o the promotion of the well-being of children and;</li> <li>o the consolidation of the laws relating to the welfare and protection of children and provides for incidental matters.</li> </ul>
Child Justice Act, No. 75 of 2008	The Act is to establish a criminal justice process for children accused of committing offences and aims to protect the rights of children.
Probation Services Act, No. 116 of 1991	The Act serves as an interim measure to facilitate the transformation of the child and youth care system. The transformation of the child and youth care system relates to: <ul style="list-style-type: none"> <li>o Early intervention;</li> <li>o Family finding;</li> <li>o Home based supervision;</li> <li>o Restorative Justice;</li> <li>o Services in terms of victims of crime; and</li> <li>o Assessment of arrested children who have not been released from custody.</li> </ul>
Prevention and Treatment for Substance Abuse Act, No. 70 of 2008	This Act provides for the implementation of comprehensive and integrated service delivery amongst all government departments. The main emphasis of this Act is the promotion of community based and early intervention programmes as well as the registration of therapeutic interventions in respect of substance abuse.

<b>Legislation</b>	<b>Impact on the Department of Social Development functionality</b>
Social service Professions Act, No. 110 of 1978; Amended 1995, 1996 & 1998	The Act established the South African Council for Social Work Professions and professional boards for social service professions and defines its powers and functions.
Non-Profit Organisations Act, No. 71 of 1997	The Act cancelled the Fund-raising Act, 1997 however, still promotes the relief of funds and an environment where NPOs can flourish by providing an administrative and regulatory framework in which they can operate.
Domestic Violence Act, No. 116 of 1998	The purpose of this act is to afford the victims of domestic violence the maximum protection from domestic abuse.
Sexual Offences and Related Matters Amendment Act, No. 6 of 2012	To amend the Criminal Law (Sexual Offences and Related Matters) Amendment Act, 2007, so as to expressly provide that the imposition of penalties in respect of certain offences contained in the Act is left to the discretion of the courts; and to provide for matters connected therewith.