



File no.: 26/3/5
Reference: 20250228-1044

Management Accounting Minute: 0001/2025

To: Deputy Directors-General, Chief Directors, Directors, Circuit Managers, Heads: Management and Governance, Deputy Directors and Principals and governing body chairpersons of public schools

Subject: Additional information required for the purpose of a receipt issued under section 18A(2)(a)(vii) of the Income Tax Act, 1962 (Act 58 of 1962), and returns of information to be submitted under section 26 of the Tax Administration Act, 2011 (Act 28 of 2011)

1. Purpose

- 1.1 The purpose of this minute is to inform all education institutions of important updates regarding the submission of returns and the issuance of section 18A receipts for donations.
- 1.2 This minute repeals and replaces Management Accounting Minute 0002/2023, dated 30 October 2023, and should be read in conjunction with Financial Accounting Minute 0004/2019, dated 31 October 2019, Financial Accounting Minute 0003/2023, dated 31 March 2023, Circular 0012/2020, dated 10 March 2020, and the *Basic Financial Manual for Schools*.

2. Background

Under section 18A of the Income Tax Act, as amended by the Ninth Schedule to the Income Tax Act, 2002 (Act 30 of 2002), the South African Revenue Service (SARS) has approved the group registration of all public schools and institutions within the Western Cape Education Department (WCED) to issue section 18A receipts. The reference number for this approval is **930000372**.

SARS has, in accordance with section 18A(2)(a)(vii) of the Income Tax Act and Notice No. 3082 published in *Government Gazette* No. 48014 of 24 February 2023, issued additional requirements for receipts issued on or after 01 March 2023.

In terms of section 26 of the Tax Administration Act, 2011, the Commissioner for SARS, requires that the person that issued a receipt in terms of section 18A(2) of the Income Tax Act, must submit returns by the dates specified in the notice issued by SARS.

3. Additional requirements for section 18A receipts

In terms of the notice, the following additional information of the donor must be included in the receipt issued in terms of section 18A(2)(a) of the Income Tax Act:

- Donor nature of person (natural person, company, trust, etc.);
- Donor identification type and country of issue (in case of a natural person);
- Identification or registration number;
- Income tax reference number (if available);
- Contact number;
- Email address;
- A unique receipt number; and
- Trading name (if different from the registered name).

4. Compliance process for education institutions

4.1 Issuing of section 18A receipts

All education institutions must:

- Ensure that all prescribed information is included in receipts.
- As an interim measure section 18A receipts must be recorded in the issued receipt books, along with the relevant annexures, which contain the additional information, listed below, and completed in **triplicate**:
 - **Annexure A** (if the donor is a natural person) or
 - **Annexure B** (if the donor is not a natural person, i.e. company, close corporation, trust, partnership, government institution, etc.)
- The original receipt and Annexure A/B must be provided to the donor.
- Copies should be sent to the district office for the bi-annual return.
- Copies should also be retained by the school for audit purposes.

5. Submission of information under section 26 of the Tax Administration Act, 2011 (Act 28 of 2011)

The WCED is required to submit donor and donation information as contained in section 18A tax-deductible receipts. This information must be submitted, using the designated SARS electronic filing service form (IT3(d)), by the submission dates in Notice 3631, published in *Government Gazette* No. 48867 of 30 June 2023.

5.1 Submission periods to SARS

- **31 October** - for the period: 01 March–31 August.
- **31 May** - for the full year of assessment: 01 March to the last day of February.

5.2 Roles and responsibilities

5.2.1 Schools:

- Schools must ensure complete, accurate, and timely submissions of all information to prevent delays or discrepancies in SARS' auto assessment process, which could affect compliance.
- School must issue compliant receipts and submit accurate data to district offices within the following timelines:
 - By 15 September (01 March–31 August)
 - By 15 April - for the full year of assessment
- A template for the bi-annual reporting concerning the issuing of section 18A receipts will be distributed via the district office.
- Institutions that have not issued section 18A tax-deductible receipts must still submit a **null** return to mitigate the risk of fraudulent claims.

5.2.2 District offices:

- The relevant district officials must check the completeness and accuracy of the bi-annual returns submitted by schools.
- All returns per district office must be collated and submitted electronically to the Directorate: Management Accounting, Head Office:
 - By 30 September (01 March–31 August)
 - By 30 April for the full year of assessment
- A template for the bi-annual reporting concerning the issuing of section 18A receipts will be distributed by Head office at the beginning of each reporting period by email.

5.2.3 Head Office:

- Submit consolidated donor and donation information from district offices and chief directorates via SARS' electronic filing service form (IT3(d)), therefore, schools must ensure that accurate data is provided to their respective district offices for consolidation. Please note the deadlines in 5.1.

6. The above timelines will be applicable from the 2025/26 tax year.

7. Kindly bring the contents of this minute to the attention of all relevant parties.

SIGNED: LJ ELY

DEPUTY DIRECTOR GENERAL: CORPORATE SERVICES

DATE: 2025-03-03