

Reference number: RCS/C.6

Private Bag X9165
CAPE TOWN
8000

TREASURY CIRCULAR NO. 14/2020

THE PREMIER

THE MINISTER OF AGRICULTURE
THE MINISTER OF COMMUNITY SAFETY
THE MINISTER OF CULTURAL AFFAIRS AND SPORT
THE MINISTER OF EDUCATION
THE MINISTER OF FINANCE AND ECONOMIC OPPORTUNITIES
THE MINISTER OF HEALTH
THE MINISTER OF HUMAN SETTLEMENTS
THE MINISTER OF LOCAL GOVERNMENT, ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING
THE MINISTER OF SOCIAL DEVELOPMENT
THE MINISTER OF TRANSPORT AND PUBLIC WORKS

THE SPEAKER: PROVINCIAL PARLIAMENT
THE DEPUTY SPEAKER: PROVINCIAL PARLIAMENT

THE EXECUTIVE AUTHORITY: WESTERN CAPE GAMBLING AND RACING BOARD (MINISTER D MAYNIER)
THE EXECUTIVE AUTHORITY: WESTERN CAPE NATURE CONSERVATION BOARD (MINISTER A BREDELL)
THE EXECUTIVE AUTHORITY: WESTERN CAPE INVESTMENTS AND TRADE PROMOTION AGENCY (MINISTER D MAYNIER)
THE EXECUTIVE AUTHORITY: SALDANHA BAY IDZ LICENCING COMPANY (MINISTER D MAYNIER)
THE EXECUTIVE AUTHORITY: WESTERN CAPE CULTURAL COMMISSION (MINISTER A MARAIS)
THE EXECUTIVE AUTHORITY: WESTERN CAPE LANGUAGE COMMITTEE (MINISTER A MARAIS)
THE EXECUTIVE AUTHORITY: WESTERN CAPE HERITAGE (MINISTER A MARAIS)
THE EXECUTIVE AUTHORITY: CASIDRA (MINISTER IH MEYER)
THE EXECUTIVE AUTHORITY: WESTERN CAPE LIQUOR AUTHORITY (MINISTER A FRITZ)

THE ACCOUNTING OFFICER: VOTE 1: PREMIER (MR H MALILA)
THE ACCOUNTING OFFICER: VOTE 2: PROVINCIAL PARLIAMENT (MR R ADAMS)
THE ACCOUNTING OFFICER: VOTE 3: PROVINCIAL TREASURY (MR D SAVAGE)
THE ACCOUNTING OFFICER: VOTE 4: COMMUNITY SAFETY (MR G MORRIS)
THE ACCOUNTING OFFICER: VOTE 5: EDUCATION (MR BK SCHREUDER)
THE ACCOUNTING OFFICER: VOTE 6: HEALTH (DR B ENGELBRECHT)
THE ACCOUNTING OFFICER: VOTE 7: SOCIAL DEVELOPMENT (DR R MACDONALD)
THE ACCOUNTING OFFICER: VOTE 8: HUMAN SETTLEMENTS (MS J SAMSON)
THE ACCOUNTING OFFICER: VOTE 9: ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING (MR P VAN ZYL)
THE ACCOUNTING OFFICER: VOTE 10: TRANSPORT AND PUBLIC WORKS (MS J GOOCH)
THE ACCOUNTING OFFICER: VOTE 11: AGRICULTURE (MS J ISAACS)
THE ACCOUNTING OFFICER: VOTE 12: ECONOMIC DEVELOPMENT AND TOURISM (MR S FOURIE)
THE ACCOUNTING OFFICER: VOTE 13: CULTURAL AFFAIRS AND SPORT (MR B WALTERS)
THE ACCOUNTING OFFICER: VOTE 14: LOCAL GOVERNMENT (MR G PAULSE)

THE CHIEF FINANCIAL OFFICER: VOTE 1: PREMIER (MR D BASSON)
THE CHIEF FINANCIAL OFFICER: VOTE 2: PROVINCIAL PARLIAMENT (MS N PETERSEN)
THE CHIEF FINANCIAL OFFICER: VOTE 3: PROVINCIAL TREASURY (MS A SMIT)
THE CHIEF FINANCIAL OFFICER: VOTE 4: COMMUNITY SAFETY (MR M FRIZLAR)
THE CHIEF FINANCIAL OFFICER: VOTE 5: EDUCATION (MR L ELY)
THE CHIEF FINANCIAL OFFICER: VOTE 6: HEALTH (MR S KAYE)
THE CHIEF FINANCIAL OFFICER: VOTE 7: SOCIAL DEVELOPMENT (MR JO SMITH)
THE CHIEF FINANCIAL OFFICER: VOTE 8: HUMAN SETTLEMENTS (MR F DE WET)
THE CHIEF FINANCIAL OFFICER: VOTE 9: ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING (MS O SAMUELS)
THE CHIEF FINANCIAL OFFICER: VOTE 10: TRANSPORT AND PUBLIC WORKS (ADV. C SMITH)
THE CHIEF FINANCIAL OFFICER: VOTE 11: AGRICULTURE (MR F HUYSAMER)
THE CHIEF FINANCIAL OFFICER: VOTE 12: ECONOMIC DEVELOPMENT AND TOURISM (MS M ABRAHAMS)
THE CHIEF FINANCIAL OFFICER: VOTE 13: CULTURAL AFFAIRS AND SPORT (MS BG RUTGERS)
THE CHIEF FINANCIAL OFFICER: VOTE 14: LOCAL GOVERNMENT (MS B SEWLALL-SINGH)

For information

THE ACCOUNTING AUTHORITY: WESTERN CAPE GAMBLING AND RACING BOARD (MR D LAKAY)
 THE ACCOUNTING AUTHORITY: WESTERN CAPE NATURE CONSERVATION BOARD (PROF. G MANEVELDT)
 THE ACCOUNTING AUTHORITY: WESTERN CAPE INVESTMENTS AND TRADE PROMOTION AGENCY (MR B FIGAJI)
 THE ACCOUNTING AUTHORITY: SALDANHA BAY IDZ LICENCING COMPANY (DR J STEGMANN)
 THE ACCOUNTING AUTHORITY: WESTERN CAPE CULTURAL COMMISSION (MS J MOLELEKI)
 THE ACCOUNTING AUTHORITY: WESTERN CAPE LANGUAGE COMMITTEE (MS J MOLELEKI)
 THE ACCOUNTING AUTHORITY: WESTERN CAPE HERITAGE (MR M DLAMUKA)
 THE ACCOUNTING AUTHORITY: CASIDRA (MR A MOOS)
 THE ACCOUNTING AUTHORITY: WESTERN CAPE LIQUOR AUTHORITY (ADV. T SIDAKI)
 THE CHIEF EXECUTIVE OFFICER: WESTERN CAPE GAMBLING AND RACING BOARD (MR P ABRAHAMS)
 THE CHIEF EXECUTIVE OFFICER: WESTERN CAPE NATURE CONSERVATION BOARD (DR R OMAR)
 THE CHIEF EXECUTIVE OFFICER: WESTERN CAPE INVESTMENTS AND TRADE PROMOTION AGENCY (MR T HARRIS)
 THE CHIEF EXECUTIVE OFFICER: SALDANHA BAY IDZ LICENCING COMPANY (MS K BEUKES)
 THE CHIEF EXECUTIVE OFFICER: CASIDRA (MR A SEYMOUR)
 THE CHIEF EXECUTIVE OFFICER: WESTERN CAPE LIQUOR AUTHORITY (DR L MDUNYELWA)
 THE CHIEF FINANCIAL OFFICER: WESTERN CAPE GAMBLING AND RACING BOARD (MS Z SIWA)
 THE CHIEF FINANCIAL OFFICER: WESTERN CAPE NATURE CONSERVATION BOARD (MR M BHAYAT)
 THE CHIEF FINANCIAL OFFICER: WESTERN CAPE INVESTMENTS AND TRADE PROMOTION AGENCY (MS K ZAMA)
 THE CHIEF FINANCIAL OFFICER: SALDANHA BAY IDZ LICENCING COMPANY (MR H BONESCHANS)
 THE CHIEF FINANCIAL OFFICER: WESTERN CAPE CULTURAL COMMISSION (MS B RUTGERS)
 THE CHIEF FINANCIAL OFFICER: WESTERN CAPE LANGUAGE COMMITTEE (MS B RUTGERS)
 THE CHIEF FINANCIAL OFFICER: WESTERN CAPE HERITAGE (MS B RUTGERS)
 THE CHIEF FINANCIAL OFFICER: CASIDRA (MR F VAN ZYL)
 THE CHIEF FINANCIAL OFFICER: WESTERN CAPE LIQUOR AUTHORITY (MS M VOS) (ACTING)
 THE DIRECTOR: GOVERNMENT MOTOR TRANSPORT (MR R WIGGILL)
 THE HEAD OFFICIAL: PROVINCIAL TREASURY (MR D SAVAGE)
 THE DEPUTY DIRECTOR-GENERAL: FISCAL AND ECONOMIC SERVICES (MS J GANTANA) (ACTING)
 THE DEPUTY DIRECTOR-GENERAL: GOVERNANCE AND ASSET MANAGEMENT (MR IG SMITH) (ACTING)
 THE CHIEF DIRECTOR: PUBLIC POLICY SERVICES (MR A PHILLIPS)
 THE CHIEF DIRECTOR: PROVINCIAL GOVERNMENT PUBLIC FINANCE (MS A PICK) (ACTING)
 THE CHIEF DIRECTOR: LOCAL GOVERNMENT PUBLIC FINANCE (VACANT)
 THE CHIEF DIRECTOR: ASSET MANAGEMENT (MS N EBRAHIM) (ACTING)
 THE CHIEF DIRECTOR: FINANCIAL GOVERNANCE AND ACCOUNTING (MR A HARDIEN)
 THE CHIEF FINANCIAL OFFICER (MS A SMIT)
 THE HEAD: OFFICE OF THE FINANCE MINISTRY (MS C GREEN)
 THE DIRECTOR: BUSINESS INFORMATION AND DATA MANAGEMENT (MR P PIENAAR)
 THE DIRECTOR: FINANCIAL GOVERNANCE (MS M VAN NIEKERK)
 THE DIRECTOR: FISCAL POLICY (DR N NLEYA)
 THE DIRECTOR: INFRASTRUCTURE (MR K LANGENHOVEN)
 THE DIRECTOR: LOCAL GOVERNMENT ACCOUNTING (VACANT)
 THE DIRECTOR: LOCAL GOVERNMENT BUDGET OFFICE (MR M BOOYSEN)
 THE DIRECTOR: LOCAL GOVERNMENT REVENUE AND EXPENDITURE (GROUP ONE) (MR C MAPEYI)
 THE DIRECTOR: LOCAL GOVERNMENT REVENUE AND EXPENDITURE (GROUP TWO) (MR M SIGABI)
 THE DIRECTOR: LOCAL GOVERNMENT SUPPLY CHAIN MANAGEMENT (MR R MOOLMAN)
 THE DIRECTOR: PROVINCIAL GOVERNMENT ACCOUNTING (VACANT)
 THE DIRECTOR: PROVINCIAL GOVERNMENT BUDGET OFFICE (MS R SLINGER)
 THE DIRECTOR: PROVINCIAL GOVERNMENT FINANCE (EXPENDITURE MANAGEMENT) (MS A PICK) (PRO TEM)
 THE DIRECTOR: PROVINCIAL GOVERNMENT SUPPLY CHAIN MANAGEMENT (MS T RAKIEP) (ACTING)
 THE DIRECTOR: STRATEGIC AND OPERATIONAL MANAGEMENT SUPPORT (MS N ISMAIL)
 THE DIRECTOR: SUPPORTING AND INTERLINKED FINANCIAL SYSTEMS (MR A MAZOMBA)
 THE PROVINCIAL AUDITOR
 MASTER RECORDS OFFICIAL: BUSINESS INFORMATION AND DATA MANAGEMENT
 THE DEPUTY DIRECTOR-GENERAL: CORPORATE ASSURANCE, DEPARTMENT OF THE PREMIER (MS H ROBSON)

FACILITATING THE RECEIPT, REPORTING AND ACCOUNTING OF CASH DONATIONS TO THE WESTERN CAPE GOVERNMENT DEPARTMENTS AND ENTITIES

1. PURPOSE

- 1.1 To inform Western Cape Government Departments and Provincial Public Entities of the arrangements related to cash donations, budgeting, accounting and reporting in response to the Covid- 19 pandemic. This circular complements the Western Cape Disaster Budgeting Procurement and Accounting Framework.

2. BACKGROUND

- 2.1 The already weak national and provincial economies and fiscal environment have been exacerbated by the COVID-19 pandemic, resulting in heightened service delivery pressures as major disruption to import-dependent manufacturing and retail supply chains weigh on the economy.
- 2.2 Advice given to departments with the tabling of the 2020 Western Cape Budget was to reprioritise expenditures and reconfigure programmes and projects in favour of critical service delivery functions. This advice still holds now and has been escalated, noting the impact on households and businesses.
- 2.3 There is also further recognition that Government would require a strong partnership approach with private sector and civil society to provide much needed relief to the affected segments of the Western Cape.
- 2.4 Discussions on the matter acknowledge the desire of donor communities to assist households and small business with financial and non-financial support in the wake of this pandemic.
- 2.5 Augmenting public resources, now more than ever with donor funding or aid becomes critical if the need of business and households are to be considered. The support could either be in-kind or in terms of cash.
- 2.6 In practice, some departments receive donor funds from local and international donors via the RDP Fund, while gifts, donations and sponsorships are received from individuals or organisations. These are paid into the Provincial Revenue Fund and can only be spent once the funds have been appropriated by an Appropriation Act.
- 2.7 Donors have the requirement of appropriate governance arrangements of their donations. These assurances include transparency and control over their donations and that regular reporting on the achievements of the objectives of the projects that they sponsor.
- 2.8 This document should be read together with the Western Cape Procurement Circular issued by the Provincial Treasury and is intended to assist provincial departments to maintain existing financial management and internal control frameworks while ensuring that the necessary disaster relief support can be provided in the relevant circumstances timeously.

3. DISCUSSION

Role of Accounting Officer

- 3.1 As per Regulation 21.1.1 the authority to approve donations of state money and other movable property in the interest of the State lies with the accounting officer (AO) of a department.
- 3.2 In terms of section 38 of the PFMA, the AO for a department is responsible for the effective, efficient, economical and transparent use of the resources of the department, trading entity or constitutional institution and must take effective and appropriate steps to —
 - i. collect all money due to the department, trading entity or constitutional institution;
 - ii. prevent unauthorised, irregular and fruitless and wasteful expenditure and losses resulting from criminal conduct; and
 - iii. manage available working capital efficiently and economically.

- 3.3 It is thus clear that one AO cannot decide for another AO what to do with donations received. Donations for a specific purpose must thus be handled by the relevant department responsible for that specific function.

Disaster Management Act

- 3.4 The Disaster Management Act, 2002 (No. 57 of 2002), provides for –
- i. an integrated and co-ordinated disaster management policy that focuses on preventing or reducing the risk of disasters, mitigating the severity of disasters, emergency preparedness, rapid and effective response to disasters and post-disaster recovery;
 - ii. the establishment of national, provincial and municipal disaster management centres;
 - iii. disaster management volunteers; and
 - iv. matters incidental thereto.
- 3.5 In terms of section 30 of this Act, the powers and duties of a provincial disaster management centre includes, inter alia, that it –
- a. must make recommendations regarding the funding of disaster management in the province, and initiate and facilitate efforts to make such funding available.
 - b. may exercise any powers and must perform any duties delegated and assigned to it in terms of section 14.
- 3.6 The Disaster Management Act thus does not prescribe any process to be followed regarding donations received in terms of a disaster.

Accepting donations

- 3.7 Donations may be in kind or in cash. In terms of Treasury Regulation 21.2.1, the accounting officer may approve the acceptance of any gift, donation or sponsorship to the State, whether such gifts, donations or sponsorships are in cash or kind.
- 3.8 If donated in cash, the money received must be paid into the Provincial Revenue Fund (PRF).
- 3.9 Cash donations will broadly fall within three broad categories: special purpose; sector support, general purpose and that regular reporting on progress, as expected by relevant stakeholders.

Process

- 3.10 The Accounting Officer of a Department informs the Provincial Treasury of the intention of a Donor to donate funds, the amount and purpose of such a Donation.
- 3.11 The contact persons designated to deal with cash donations within departments, their contact detail and the Departmental Pay Master General Account (PMG) number will be shared with Donors as per table 1.

Table 1: PMG Account Number per Vote

	DEPARTMENT	PMG ACCOUNT NUMBER	NAME	EMAIL ADDRESS
CHIEF FINANCIAL OFFICERS	VOTE 1: Department of the Premier	1 452 045 038	Mr D Basson	Drikus.Basson@westerncape.gov.za
CHIEF FINANCIAL OFFICERS	VOTE 2: Provincial Parliament	1 452 045 283	Ms N Petersen	Npetersen@wcpp.gov.za
CHIEF FINANCIAL OFFICERS	VOTE 3: Provincial Treasury	1 452 045 054	Ms A Smit	Annamarie.Smit@westerncape.gov.za
CHIEF FINANCIAL OFFICERS	VOTE 4: Community Safety	1 452 045 011	Mr M Frizlar	Moegamat.Frizlar@westerncape.gov.za
CHIEF FINANCIAL OFFICERS	VOTE 5: Education	1 452 045 089	Mr L Ely	Leon.Ely@westerncape.gov.za
CHIEF FINANCIAL OFFICERS	VOTE 6: Health	1 452 045 097	Mr S Kaye	Simon.Kaye@westerncape.gov.za
CHIEF FINANCIAL OFFICERS	VOTE 7: Social Development	1 452 045 062	Mr Jo Smith	Juan.Smith@westerncape.gov.za
CHIEF FINANCIAL OFFICERS	VOTE 8: Human Settlements	1 452 045 046	Mr F De Wet	Francois.DeWet@westerncape.gov.za
CHIEF FINANCIAL OFFICERS	VOTE 9: Environmental Affairs and Development Planning	1 452 045 003	Ms O Samuels	Olivia.Samuels@westerncape.gov.za
CHIEF FINANCIAL OFFICERS	VOTE 10: Transport and Public Works	1 452 045 100	Adv. C Smith	chantal.smith@westerncape.gov.za
CHIEF FINANCIAL OFFICERS	VOTE 11: Agriculture	1 452 045 119	Mr F Huysamer	Floris.Huysamer@westerncape.gov.za
CHIEF FINANCIAL OFFICERS	VOTE 12: Economic Development and Tourism	1 452 045 135	Ms M Abrahams	Mymoena.Abrahams@westerncape.gov.za
CHIEF FINANCIAL OFFICERS	VOTE 13: Cultural Affairs and Sport	1 452 045 127	Ms Bg Rutgers	Brenda.Rutgers@westerncape.gov.za
CHIEF FINANCIAL OFFICERS	VOTE 14: Local Government	1 452 055 661	Ms B Sewlall-Singh	Bhavana.Sewlall-Singh@westerncape.gov.za

- 3.12 The donation is subsequently deposited into the Provincial Revenue Fund, in line with the existing revenue policy.
- 3.13 Funds paid into the Provincial Revenue Fund will be allocated back to departments in the Appropriation Act (Section 25).
- 3.14 Departments will be requested, once funds have been received to adjust their cashflows to ensure no delays in spending on addressing the pandemic.
- 3.15 Each department will be responsible for ensuring internal governance, relevant reporting and accounting for Donor Funding.

ANTHONY PHILLIPS
CHIEF DIRECTOR: PUBLIC POLICY SERVICES
DATE: 26 March 2020

Conditions under which donations in-kind can be accepted/ not accepted

The draft Western Cape Disaster Budgeting Procurement and Accounting Framework provide extensive guidance to departments and entities as to the considerations when and how to receive donations in kind.

Approval of acceptance

1. The Accounting Officer of a provincial department mandated to provide Humanitarian Relief or Disaster Relief (as the case may be) may approve the acceptance of any donations in kind of essential goods or services required for the purposes of provincial disaster relief, if compliance with the requirements set out in Regulation 21.2 of the NTRs.
2. When a potential donor ("the offeror") comes forward with an offer to donate essential goods or services required for the purposes of Disaster Relief, the following process must be followed:
 - (a) The offer must be directed to the Accounting Officer of the DLG for further consideration;
 - (b) Upon receipt of the offer, the Accounting Officer of the DLG must determine whether the offer should be considered for acceptance by the DLG or by another provincial department mandated to provide Disaster Relief in respect of a specific disaster. Where the accounting officer of the DLG is satisfied that the DLG is the appropriate provincial department to consider the offer, he or she shall consider the offer further. Where the accounting officer of the DLG considers it appropriate for the offer to be considered for acceptance by another provincial department mandated to provide Disaster Relief in respect of a specific disaster, he or she shall direct the offer to the accounting officer of such other provincial department for his or her further consideration;
 - (c) The Accounting Officer of the provincial department responsible for considering the offer pursuant to paragraph (a) above ("the responsible accounting officer") shall consider and decide whether it is feasible and appropriate in the circumstances for his or her department to accept such offer and to record such decision in writing
3. When determining whether it is feasible and appropriate in the circumstances for the offer to be accepted, the responsible Accounting Officer must consider, amongst other things, the following factors:
 - (a) The nature and scope of any disaster category that is or will become applicable in the Western Cape;
 - (b) Current or anticipated provincial Disaster Relief needs;
 - (c) The relevance of the offer to meeting current or anticipated provincial Disaster Relief needs;
 - (d) The ability of the Western Cape Government to ensure that the goods or services that are the subject of the offer are directed at meeting current or anticipated provincial Disaster Relief needs effectively;
 - (e) The costs to the Western Cape Government of accepting the offer and directing the goods or services that are the subject of such offer at meeting current or anticipated provincial Disaster Relief needs effectively (including, but not limited to, logistics and storage costs);

- (f) All financial, legal and other risks that the goods or services that are the subject of the offer may present to human life, the environment and critical infrastructure should the offer be accepted; and
- (g) The ability of the Western Cape Government to assume and mitigate all risks referred to in paragraph 3.4(f) above

No offer shall be approved for acceptance unless:

4. The offeror warrants to the Western Cape Government, in writing, that the goods or services that are the subject of the offer are free from any defects and suitable in all respects for Disaster Relief purposes and, as such, do not present any material risks to human life, the environment or critical infrastructure.
5. The offeror assumes, in writing, full responsibility for any loss, damage or claim of any kind that may arise, whether directly or indirectly, from the deployment of the goods or services that are the subject of the offer for Disaster Relief purposes.
6. The offeror indemnifies, in writing, the Western Cape Government against any and all losses, damages or claims that may arise, whether directly or indirectly, from any defects in the goods or services that are donated by the offeror or from the negligence or fault on the part of the offeror and/or any agent, representative, contractor or employee of the offeror when giving effect to the donation in question (as the case may be).
7. The responsible accounting officer may negotiate with the offeror on any further conditions that he or she considers appropriate for the protection of citizens, the environment, critical infrastructure and the interests of the Western Cape Government and that should apply to the acceptance of the offer.
8. The responsible accounting officer must record in writing the reasons for approving or rejecting an offer.
9. The responsible accounting officer must ensure that the offeror is given written notice of whether the offer has been accepted and, if so, on what conditions.
10. Where the offer is approved for acceptance, the responsible accounting officer must take all reasonable steps to ensure that the goods or services that are the subject of the offer are directed at meeting current or anticipated provincial Disaster Relief needs effectively and timeously and with minimal risk to human life, the environment, critical infrastructure and the interests of the Western Cape Government.
11. Where the offer is approved for acceptance, the responsible accounting officer must obtain in writing from the donor an indication of whether the donor's identity may be noted in the relevant department's annual financial statements pursuant to Regulation 21.2.4 of the NTRs. If the donor wishes to remain anonymous, the responsible accounting must comply with the requirements of Regulation 21.4.1 of the NTRs.
12. When a potential donor ("the offeror") comes forward with an offer to donate essential goods or services required for the purposes of Humanitarian Relief, the following process must be followed:
 - (a) The offer must be directed to the accounting officer of the DSD;
 - (b) Upon receipt of the offer, the accounting officer of the DSD must determine whether the offer should be considered for acceptance by the DSD;

- (c) The accounting officer of the DSD shall consider and decide whether it is feasible and appropriate in the circumstances for his or her department to accept such offer and to record such decision in writing;
13. When determining whether it is feasible and appropriate in the circumstances for the offer to be accepted, the accounting officer of the DSD must consider, amongst other things, the following factors:
- (a) The nature and scope of any disaster category that is or will become applicable in the Western Cape;
 - (b) Current or anticipated provincial Humanitarian Relief needs;
 - (c) The relevance of the offer to meeting current or anticipated provincial Humanitarian Relief needs;
 - (d) The ability of the Western Cape Government to ensure that the goods or services that are the subject of the offer are directed at meeting current or anticipated provincial Humanitarian Relief needs effectively;
 - (e). The costs to the Western Cape Government of accepting the offer and directing the goods or services that are the subject of such offer at meeting current or anticipated provincial Humanitarian Relief needs effectively (including, but not limited to, logistics and storage costs);
 - (f). All financial, legal and other risks that the goods or services that are the subject of the offer may present to human life, the environment and critical infrastructure should the offer be accepted; and
 - (g). The ability of the Western Cape Government to assume and mitigate all risks referred to in paragraph (f)0 above.

No offer shall be approved for acceptance unless:

- 14. The offeror warrants to the Western Cape Government, in writing, that the goods or services that are the subject of the offer are free from any defects and suitable in all respects for Humanitarian Relief purposes and, as such, do not present any material risks to human life, the environment or critical infrastructure.
- 15. The offeror assumes, in writing, full responsibility for any loss, damage or claim of any kind that may arise, whether directly or indirectly, from the deployment of the goods or services that are the subject of the offer for Humanitarian Relief purposes.
- 16. The offeror indemnifies, in writing, the Western Cape Government against any and all losses, damages or claims that may arise, whether directly or indirectly, from any defects in the goods or services that are donated by the offeror or from the negligence or fault on the part of the offeror and/or any agent, representative, contractor or employee of the offeror when giving effect to the donation in question (as the case may be).
- 17. The Accounting Officer of the DSD may negotiate with the offeror on any further conditions that he or she considers appropriate for the protection of citizens, the environment, critical infrastructure and the interests of the Western Cape Government and that should apply to the acceptance of the offer.
- 18. The Accounting Officer of the DSD must record in writing the reasons for approving or rejecting an offer.

19. The accounting officer of the DSD must ensure that the offeror is given written notice of whether the offer has been accepted and, if so, on what conditions.
20. Where the offer is approved for acceptance, the accounting officer of the DSD must take all reasonable steps to ensure that the goods or services that are the subject of the offer are directed at meeting current or anticipated provincial Humanitarian Relief needs effectively and timeously and with minimal risk to human life, the environment, critical infrastructure and the interests of the Western Cape Government.
21. Where the offer is approved for acceptance, the responsible accounting officer must obtain in writing from the donor an indication of whether the donor's identity may be noted in the relevant department's annual financial statements pursuant to Regulation 21.2.4 of the NTRs. If the donor wishes to remain anonymous, the responsible accounting must comply with the requirements of Regulation 21.4.1 of the NTRs.
22. When approving the acceptance of a donation contemplated in paragraph 1 above after following the relevant process set out in paragraph 3.3 -3.22, the Accounting Officer concerned must ensure that full details of such donation are recorded in a register of relief-related donations in kind. Such register must be kept and maintained by the Accounting Officer concerned and shall assist the provincial department in question to disclose all relief-related donations in kind accepted by it in a note in that department's annual financial statements (in accordance with Regulation 21.2.4, read with Regulation 21.4.1, of the NTRs).
23. If a donor requests to remain anonymous, the relevant Accounting Officer must, in accordance with Regulation 21.4.1 of the NTRs, submit to the Provincial Treasury a certificate from both the Public Protector and the Auditor-General, which states that the identity of the donor has been revealed to them, that they have noted it and have no objection.
24. Once these certificates have been provided to the Provincial Treasury, the responsible accounting officer must ensure that his or her department's annual financial statements do not in any way disclose the identity of the donor concerned.
25. All gifts and donations received in kind must be accounted for and disclosed in the financial statements as prescribed by the National Treasury in the Accounting Manual and the Modified Cash Standards.
26. Disposal of excess gifts and donations must be executed in accordance with WCG Donations and Volunteer Framework issued by the Provincial Treasury logistical policies and procedures.

Financial Reporting and Accounting on Donor Funding/ Aid

Donor funding is made available by local and foreign donors that provide funds to be used for specific projects, requiring open end transparent feedback to the donor. Departments should always use donor funding based on social government principles and, promote and enhance transparency to attract donors. In the following sections the financial accounting and reporting of donor funding is addressed:

Legal requirements

1. The following legal requirements assist in the reporting and classification of donor funding:
2. Section 226 of the Constitution, states that:
 - 2.1 "There is a Provincial Revenue Fund for each province into which all money received by the provincial government must be paid, except money reasonably excluded by an Act of Parliament.
 - 2.2 Money may be withdrawn from a Provincial Revenue Fund only —
 - (a) in terms of an appropriation by a provincial Act; or
 - (b) as a direct charge against the Provincial Revenue Fund, when it is provided for in the Constitution or a provincial Act.
 - 2.3 Revenue allocated through a province to local government in that province in terms of section 214(1), is a direct charge against that province's Revenue Fund.
 - 2.4 National legislation may determine a framework within which-
 - (a) a provincial Act may in terms of subsection (2)(b) authorise the withdrawal of money as a direct charge against a Provincial Revenue Fund; and
 - (b) revenue allocated through a province to local government in that province in terms of subsection (3) must be paid to municipalities in the province.

[Subs. (4) added by s. 8 of the Constitution Seventh Amendment Act of 2001]

(Commencement date of s. 226: 1 January 1998)".
3. Section 22 of the PFMA states that:

"Deposit into Provincial Revenue Funds.—(1) All money received by a provincial government, including the province's equitable share, and grants made to it, in terms of the annual Division of Revenue Act, must be paid into the province's Provincial Revenue Fund, except money received by—

 - (a) the provincial legislature in the province;
 - (b) a provincial public entity in the province;
 - (c) the provincial government from **donor agencies** which in terms of legislation or the agreement with the donor, must be paid to the Reconstruction and Development Programme Fund; ;..."

4. Treasury Regulation 21.2 (issued in terms of section 76(1)(l) of the PFMA) states the following on the acceptance of gifts, donations and sponsorships to the state;
 - “21.2.1 The accounting officer may approve the acceptance of any gift, donation or sponsorship to the state, whether such gifts, donations or sponsorships are in cash or kind.
 - 21.2.2 All cash gifts, donations or sponsorships must be paid into the relevant revenue fund, except those donations received in terms of paragraph 21.2.5
 - 21.2.3 Where it is not apparent for what purpose a gift, donation or sponsorship should be applied, the relevant executive authority may decide how it must be utilised.
 - 21.2.4 All gifts, donations or sponsorships received during the course of the financial year must be disclosed as a note to the annual financial statements of the institution.
 - 21.2.5 Donor funding received in terms of the Reconstruction and Development Fund Act (Act 7 of 1994, as amended by Act 79 of 1998) must be dealt with as determined by the National Treasury from time to time.”
5. The Modified Cash Standard (MCS) - Revenue Chapter Paragraph 0.15 states: “Transfers received can be in the form of appropriations and or donations (also referred to as donor funding or aid assistance). Appropriations (and to some extent donor funding) comprise of grants to acquire or construct capital assets, funds for the furtherance of national and provincial government policy objectives and general allocations to fund the costs incurred by departments in supplying/rendering goods and or services. Transfers (other than appropriations) are usually from local or international donors and are received under terms and conditions as agreed between the department and the donor.”
6. Accounting Manual for Departments 2016 (AMD), Chapter on Revenue page 26, paragraph 6.4 states that:

“Aid assistance comprises amounts received from local or international donors via the RDP Fund. “CARA Fund Assistance” comprises of amounts specifically appropriated from the Criminal Asset Recovery Account (CARA). Donations must be paid into the RDP Fund as they are subject to “technical assistance agreements” entered into between the SA Government and the relevant donor(s). Transfers are made to the spending agency from the RDP Fund in accordance with the relevant technical assistance agreement. “

Accounting for DONOR FUNDING in terms of the Standard Chart of Accounts (SCOA)

7. The Fund segment identifies the various sources of funding available to departments.

In the Standard Chart of Accounts (SCOA), provision is made for Donor Funding, under the Funding Segment as follows:

DONOR FUNDS	11	5999	N
LOCAL DONOR FUND	16	15999	N
DONOR AT RESEARCH FUND	22	906999	N
DONOR AT RESEARCH FUND	22	907999	N
AT RESEARCH FUND	16	910999	N
AT RESEARCH FUND	16	908999	N
GEN ACC OF DON AT RESEARCH FUND	31	909999	Y
GEN ACC OF DON AT RESEARCH FUND	31	911999	Y
DONOR THE AFRICAN DEVELOPM BANK	31	946999	N
DONOR THE AFRICAN DEVELOPM BANK	31	947999	N
ONE STOP BORDER POST POLICY	27	948999	N
GEN ACC THE AFFICN DEVELOPM BANK	32	949999	Y
DONOR CETA	10	925999	N
DONOR CETA	10	926999	N
CANDIDACY LEARNING PROGRAMME	28	927999	N
GEN ACC OF DON CETA	19	928999	Y
DONOR ELI LILLY	15	57999	N
DONOR ELI LILLY	15	139999	N
ELI LILLY (NC HEALTH)	21	295999	N
GEN ACC OF DON ELI LILLY	24	140999	Y
DONOR EWSETA	12	59999	N
DONOR EWSETA	12	141999	N
INTEGRATED NAT ELECTR PROG (INEP)	32	294999	N
GEN ACC OF DON EWSETA	21	142999	Y

- 7.1 Departments can also fund programmes through funds received from donor agencies, trading accounts, trust funds, agency services and the Criminal Asset Recovery Account (CARA). The purpose of the fund segment is to identify the various sources of funding from which spending may be incurred.
- 7.2 The National Treasury, in consultation with key stakeholders, agreed to simplify the information disclosed in the notes to the annual financial statements on aid assistance. This is part of a broader simplification project aimed at the elimination of duplicate information and the provision of more concise information to the users of the financial statements.

8. **Accounting Treatment**

8.1. **Donations/Aid Assistance**

Donor funding received must be paid into the PRF and be allocated against the Fund of the relevant donor.

Level	Description
1	Agency Service (BAS code 664) <i>(Non posting)</i>
2	NSF Growth&Dev Strat (BAS code XXX) <i>(Non posting) (department to create)</i>
3	NSF Growth&Dev Strat Expenditure (BAS code XXX) <i>(Non posting) (department to create)</i>
4	NSF Growth&Dev Strat Expenditure (BAS code XXX) (posting)
3	NSF Growth&Dev Strat Ass&Liab (BAS code XXX) <i>(Non posting) (department to</i>
4	NSF Growth&Dev Strat Ass&Liab (BAS code XXX) (posting)
3	Gen Acc of NSF Growth&Dev Strat (BAS code XXX) <i>(Non posting) (department to</i>
4	Gen Acc of NSF Growth&Dev Strat (BAS code XXX) (Posting)

9. **In Year Monitoring Reporting (IYM) – Budget Model**

9.1. **Aid Assistance:**

9.1.1. Where donor funds have not been appropriated, it will not be reported on in the IYM report. Reporting on donor funding received and spent should be provided monthly in terms of annexure B.

10. **Annual Financial Statement Reporting**

10.1. **Donor funding:**

10.1.1. Funding received from Donors, expensed and the closing balance must be reported in Note 4 (Aid Assistance) of the AFS.