

THE ROLL OVER PROCESS

WC CFO FORUM

Presented by: National Treasury



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

Criteria: Consideration on rollover request

Legislative mandate

- Section 15 of MFMA: Incur exp against approved budget
- Section 17 of MFMA: An annual budget must set out indicative revenue and anticipated exp to be spent during the course of the year including grants
- Section 15 of DoRA: Spending in terms of purpose
- Section 30 of MFMA: spending of appropriated funds lapses at year end
- Section 20: Any unspent and uncommitted CG reverts to the NRF
- Circular 55: processes to follow when requesting rollovers
- Guideline by NT: Additional information to include when submitting a rollover request

3 Types of Roll-overs

- National
- Provincial
- Municipal

National & Provincial Criteria:

- Treasury Regulations: Section 6.4
- Funds appropriated and not transferred to the relevant municipality due to unforeseen and unavoidable circumstances
- NTOs can apply for a roll-over subject to NT's approval
- Approval Criteria
 - Planning and budgeting
 - Payments of capital budgets
 - Transfers and subsidies
 - Current Payments
- Due date for submission – on/before the last working day of April
- N.B According to Treasury regulation 6.4.3, Funds for a specific purpose may not be rolled over for more than one financial year, unless approved in advance by the relevant treasury
- All approvals must be appropriated through the National Adjustment

Municipal Criterion

- Grant unspent as at the end of the municipal financial year (includes retention money)
- Approval is made on only the revised allocation for 2010/11 DoRA
- Preconditions to any roll-over approval
 - Compliance to in-year reporting as per MFMA and DoRA
 - Compliance to Q sign-offs
 - Zero spending projects less likely to be approved or supported
 - Recommendation from PT, PD and TNO
 - Request must be in line with their AFS and Sec 71

Continue...

- Condition for roll-over: “committed to identifiable projects”
- Committed =
 - An invoice for work done in the 2010/11 year
 - A valid order or tender number for a project
 - A contract signed
- Identifiable projects =
 - Project must be specified in the IDP, SDBIP or a detailed business plan related to the grant
 - No new projects

Process

- Clearly indicated in circular 55
- NT to use section 71 Q numbers to determine unspent amounts
- Deadline for submission of request 31 Aug 2011
- Responses by NT on 30 Sep 2011 in writing after consultation with NTO and PT
- Municipalities must return remaining unspent CG on 17 Oct 2011
- Failure to repay unspent CG by the set date:
 - NT must give the Muni a written notice of the intention to offset
 - Allow the Muni an opportunity to submit a written representation within 14 days of receipt of the NT notice
 - Propose alternative means of repayment and a payment schedule
 - NT may offset any unspent against future CG and/or ES

Guideline for the requirements in compliance to section 20 of the Division of Revenue Act of 2011 and MFMA Circular 55

Project Number (E.G MIG registration)	Name of the Grant as per the Division of Revenue Act	Grant allocation amount	Expenditure against the allocation	Amount unspent as at 30 June 2010 in accordance to the DoRA allocated amount	Amount requested to be rolled over into the next financial year	Compliance to the conditions of the framework of the Grant (Yes, Partially, or No)	Time period to complete the project (Current year, Next year, e.t.c)	Time period to complete the rolled over money	Amount in value for retention	Project status phase as at 30 June 2010 (E.g Contract not awarded, Contract awarded, Project on site, Design phase, tender, retention, conclusion, e.t.c)	Reasons why spending was not 100%: Name key challenges	Remedial measures to the unspent amount	Compliance to section 71 of MFMA reporting requirements (Full compliance, partial without signature, non-compliance e.t.c)	Does the unspent conditional allocation cash backed?(Yes or No)	If allocations were transferred to the any other local municipality, was there a Service Level Agreement (SLA) put in place? Yes or No, N/A)	Was the programme or project co-funded (Yes, No.); If Yes, Specify the amount

This is a guide not an application form. A formal letter must accompany the guide

2005/06 to 2008/09 Unspent Offset

Name of muni	Amount unspent (R000)	Grants affected
Cederberg	567	INEP
Bergrivier	287	MDR
West Coast	1 681	INEP, MDR, WSOS
Overberg	255	FMG, MIG
Cape Agulhas	150	FMG
Drakenstein	1 476	FMG
Stellenbosch	4 075	PTIS

2009/10 Submissions

2009/10 Western Cape

Code	Name of the Municipality	Grant Name	Amount unspent as per Sec 71	Amount requested for Roll-over		Approved amount for Roll-over
				Municipal	National Dept	
WC053	Beauford West	FMG	193 000	232 447		193 000
WC047	Bitou	NDPG & EDSM	8 841 000	5 589 004		5 589 004
WC025	Breede Valley	MSIG	181 000	59 450		59 450
CPT	City of Cape Town	EDSM	1 481 000	989 700		989 700
DC4	Eden	EDSM, MSIG	4 091 000	14 883 444		4 091 000
WC044	George	MSIG & EDSM	4 400 000	5 894 037		3 100 069
WC012	Cederberg	FMG,MSIG	- 1 222	3 113 141		217 924
WC041	Kannaland	EDSM,FMG,MSIG	2 912 069	4 629 705		2 824 341
WC048	Knysna	MIG	- 23 249	768 173		768 173
WC026	Langeberg	NDPG & EDSM	800 000	800 000		Not Approved
WC011	Matzikama	NDPG & INEP	765 000	1 740 545	131 239	1 649 791
WC045	Outshoorn	INEP & NDPG	4 122 000	4 020 000		3 622 000
WC032	Overstrand	MIG- Disaster Relief Funds	12 189 000	7 369 027		5 744 000
WC052`	Prince Albert	MSIG	735 000	623 000		623 207
WC024	Stellenbosch	INEP	296 000	3 452 000		296 000
WC034	Swellendam	MIG	36 466 000	36 991 000		36 991 000
WC031	Theewaterskoof	MIG- Disaster Relief Funds	3 097 000	3 097 000		3 097 000
DC1	West Coast	Provincial Grants				

2010/11 Submissions

- Langeberg
- Theewaterskloof
- Cederberg
- Bitou
- Hessequa
- Kannaland
- Breede valley
- City of CT
- Eden
- Oudshoorn
- Swellendam
- Beaufort West
- Swartland
- Drakenstein

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Thanks



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