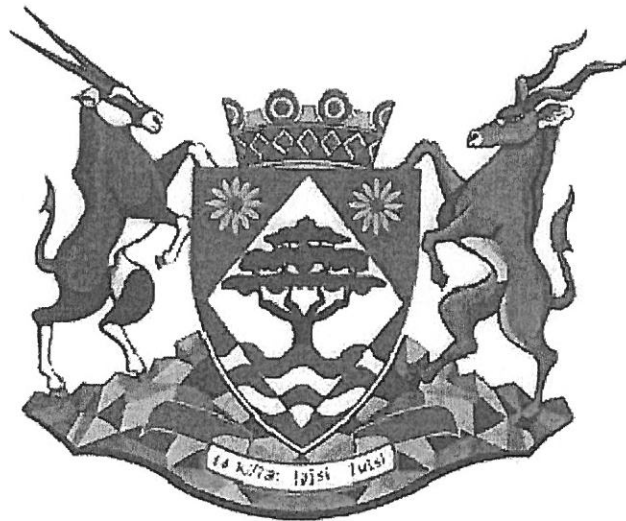


**NORTHERN CAPE PROVINCIAL  
GOVERNMENT**



**DEPARTMENT OF SPORT, ARTS  
AND CULTURE**

**GIFTS, DONATIONS AND  
SPONSORSHIPS POLICY**

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## 1. POLICY STATEMENT

This policy will guide the private sector, community organisations and the Department staff in how to deal with gifts, donations and sponsorships issues.

This policy on "Gifts, Donations and Sponsorships", is issued in terms of section 18(2)(i) of the Public Finance Management Act, No 1 of 1999. The policy applies to all sections of the departments, its business partners; community organisations and must be read in conjunction with Chapter 21 of the National Treasury Regulations.

## 2. DEFINITIONS

In this Policy, unless the context indicates otherwise, a word or expression, to which a meaning has been assigned in the PFMA and the National Treasury Regulations, has the same meaning; and -

**"Accounting Officer"** means a person mentioned in section 36 of the Public Finance Management Act;

**"Donation"** means the provision by contribution, gift or bequest without expectation of any benefit in return;

**"Gift"** means something that is bestowed voluntarily and without compensation;

**"In-kind"** means donations made to the department in some form other than money, like products and / or services; and

**"Sponsorship"** means a contribution of money or generally in support of government activities.

### 3. POLICY OBJECTIVES

The objectives of the policy include:

- 3.1 *The objective of this departmental policy is to provide clear procedures and the foundation to guide the department and government employees who receive gifts, donations, presents and/or other benefits during the course of their official duties and while traveling overseas, from overseas visitors in the Department and from Departmental sources.*
- 3.2 *Ensuring that employees have a clear and comprehensive understanding of the procedures applicable to the acceptance of gifts, donations and sponsorships.*

### 4. REGULATORY FRAMEWORK

- ✓ Public Finance Management Act, 1 of 1999; as amended
- ✓ National Treasury Regulations, Chapter 21
- ✓

### 5. SCOPE AND APPLICABILITY

This policy applies to:-

- a) All employees of the Department, Members of the SMS, Business Partners (PPP), Community and Public Benefit Organisations, and Politicians
- b) Expenditures for Gifts, Donations, and Sponsorships using the Department of Sport, Arts and Culture Funds.

The Department of Sport, Arts and Culture provides an enormous number of services to the Northern Cape community. As a government department, we know that working with the private sector and the community allows us to deliver better service to our people.

The Department can ensure the delivery of services relating to sporting events, art exhibitions and cultural activities by providing funds and resources to community groups involved in those activities; that is:-

- i. Promote sporting
- ii. Preserve excellent works of arts; and

iii. Promote and provide cultural activities and programs.

Our provincial government works closely with community organisations to ensure that funds are directed towards priority areas.

The Department may invite the private sector to sponsor a departmental event, activity, program, asset or service in return for specified benefits. In this regard the Accounting Officer,

## 6. POLICY PRINCIPLES

The Accounting Officer must ensure that the offer or acceptance of all gifts, donations and sponsorships are:

- a. In both the public interest and the overall interest of the Department, whilst ensuring that the interests of sponsors or donors are appropriate;
- b. For purposes consistent with the promotion of provincial and national aims, such as community development;
- c. Politically neutral, i.e. sponsors or donors involved with political or controversial objectives who seek the Department's legitimacy or endorsement must be avoided;
- d. Able to stand the test of public scrutiny;
- e. Well documented to demonstrate transparency and honesty;
- f. Free from any expectation or perception of preferential treatment from the Department regarding the sponsorship or donation involved, or in present or future dealings;
- g. Visible to, and subject to review by various authorities including the Executive Authority, Provincial and National Treasury, Auditor-General and Legislature, to ensure objectivity and openness; and
- h. Used only for the purposes intended
- i.

## **7. PROCEDURES**

The procedures for the acceptance of gifts, donations and sponsorships are described below as follows:

### **7.1 Granting of Gifts, Donations and Sponsorship by the State Department**

- 7.1.1 Treasury Regulations stipulates that the Accounting Officer of the Department must keep a register of all gifts, donations and sponsorships granted by his / her Department.
- 7.1.2 In cases where cash amounts exceed R100 000 per case, the approval of the Provincial Legislature must be sought, via the Provincial Treasury, by including the item separately in the appropriation bill.
- 7.1.3 Prior to the granting of a gift, donation or sponsorship, motivation must be submitted by the requesting component/employee to the Accounting Officer which includes the following:
  - 7.1.3.1 Why it is in the interest of the Department to grant a gift, donation or sponsorship;
  - 7.1.3.2 Details of the proposed recipient of the gift, donation or sponsorship; and
  - 7.1.3.3 The total estimated cost to the Department of the gift, donation or sponsorship.

### **7.2 Acceptance of Gifts, Donations and Sponsorship to the State Department**

- 7.2.1 The Accounting Officer may approve the acceptance of gifts, donations and sponsorships to the State, whether in cash or in kind.
- 7.2.2 All gifts, donations and sponsorships to the Department must be formally acknowledged by the Accounting Officer.
- 7.2.3 The Accounting Officer must keep a register of all gifts, donations and sponsorships accepted by the Department.
- 7.2.4 The Accounting Officer must ensure that the Department is in a position to account, either internally or publicly, for all resources provided to the Department by sponsors or donors.

### **7.3 Acceptance of Gifts, Donations and Sponsorship to Individual Employees**

- 7.3.1 For the purposes of this policy, "Individual employees" are deemed to include the immediate family members of the employee and related parties.
- 7.3.2 Gifts with a retail value of less than R350.00 may be accepted by individual employees as in line with the department policy on gifts, E.g. flowers, chocolates, pens and calendars, subject to notifying the head of directorate. The aforementioned head of directorate may instruct that the gift to be returned, if the acceptance thereof is deemed prejudicial to the State or gives rise to a potential conflict of interest.
- 7.3.3 The Accounting Officer must approve the acceptance of gifts, donations and sponsorships with a nominal value of more than R350.00 to individual employees, whether in cash or in kind.
- 7.3.4 If a gift, donation and sponsorship concern the Accounting Officer, it must be formerly acknowledged by the Executive Authority.
- 7.3.5 In situations where departmental employees receive gifts, donations and sponsorships because of their positions, they must be declared and if inappropriate, returned in order to prevent the appearance of a conflict of interest, which may, even if substantiated or not, be sufficient to compromise the employee.
- 7.3.6 Where employees may be in a position to significantly influence the procurement of supplies or items of equipment and services, it is unacceptable for such employees to accept sponsorships, gifts, prizes or inducement from commercial sources, under any circumstances.
- 7.3.7 An invitation for employees to attend an external function must be referred to the Accounting Officer or the delegated official.
- 7.3.8 When considering approval to attend a function, the Accounting Officer must determine whether:

7.3.8.1 The invitation is based on the employee's official position or is a social gathering of acquaintances. Approval should only be given to employees attending in their official capacity; and

7.3.8.2 Attendance may be perceived as a benefit that may influence or impact on commercial dealings between the organisation hosting the function and the Department. If there is any doubt, approval to attend should not be granted.

#### **7.4 Gifts or Donations of Immovable Property by or to the State Department**

7.4.1 The Accounting Officer must obtain approval from Provincial Treasury, prior to offering or accepting any gifts or donations of immovable property.

7.4.2 The submission to Provincial Treasury must contain the following information:

- (a) The purpose of the gift or donation;
- (b) The obligations from both parties, if any;
- (c) The conditions attached to the gift or donation; and
- (d) The total costs involved.

7.4.3 The Accounting Officer must state the reasons for and clear motivation related to the gift or donation.

#### **7.5 Recording of Gifts, Donations and Sponsorships**

7.5.1 In order to ensure proper procedure and propriety, the receiving and granting of all gifts, donations and sponsorships must be recorded in a register (**Annexure A**).

7.5.2 The register must contain the following information:

- I. The source of the gift, donation or sponsorship;
- II. Description of the gift, donation or sponsorship;
- III. Name/s of employee/s receiving/granting gifts, donations or sponsorships;



- IV. Whether the gift, donation or sponsorship was accepted; and
- V. A valuation of the gift received or granted.

#### **7.6 Disclosure in the Financial Statement**

- 7.6.1 All gifts, donations and sponsorships received and granted during the course of a financial year must be disclosed as a separate note to the annual financial statements and be reported in the annual report.
- 7.6.2 All gifts, donations and sponsorship received by a department which reaches the threshold of an asset should accordingly be recorded in the departmental asset register.
- 7.6.3 All gifts, donations and sponsorship granted by a department which reaches the threshold of an asset should accordingly be removed in the departmental asset register.
- 7.6.4 In all instances, gifts, donations and sponsorships received in cash is required to be deposited into the Provincial Revenue Fund.
- 7.6.5 Money surrendered to the Provincial Revenue Fund will be dealt with in the normal budget process.

### **7.7 Quarterly Reporting**

- 7.7.1 The Accounting Officer must appoint a responsible official to provide, on a quarterly basis, the report on the status of granted and / or accepted gifts; donations and sponsorships.
- 7.7.2 The report must include complete records for each gift, donation or sponsorship, comprising:
- 7.7.2.1 All resources being sought or provided;
  - 7.7.2.2 Written agreements made by all parties;
  - 7.7.2.3 Specific direction from the donor / sponsor on how the gift, donation or sponsorship are to be used (depending on the conditions of the donor / sponsor if provided);
  - 7.7.2.4 How the gift, donation or sponsorship were used;
  - 7.7.2.5 Disposition of unused sponsorship or donation; and
  - 7.7.2.6 If applicable, what benefits or advantages will be provided to the sponsors and donors?

### **7.8 Identity of Donors**

- 7.8.1 When a donor or sponsor requests to remain anonymous, the Accounting Officer must submit to Provincial Treasury a certificate from both the Office of the Public Protector and the Auditor-General stating that the identity of the donor or sponsor has been revealed to them and that they have noted it and have no objections.

## **8. RESPONSIBILITIES**

### **8.1.1 The Head of Department**

- Must ensure that gifts, donors and sponsorship register is kept; and
- Ensure that appropriate rigor and due diligence in the development or revision of this policy.

### **8.1.2 The Chief Financial Officer**

- Must ensure expenses related to Gifts, Donations, and Sponsorships are reasonable and in compliance with this policy and related procedures as well as any funding restrictions.

**8.1.3 Directorate Policy and Planning**

- Must ensure that Employees are aware of and understand the implications of this policy and related procedures;
- Monitor compliance with the policy; and
- Regularly review the policy and related procedures to ensure consistency in practice

**8.1.4 Individual Employees**

- Read and understand this policy and related procedures.
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## 9. APPROVAL BY ACCOUNTING OFFICER



Mr. F. AYSEN  
HEAD OF DEPARTMENT  
DEPARTMENT OF SPORT, ARTS AND CULTURE

DATE: 20/02/2013

