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# **Mpumalanga Provincial Government of Education Department**

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## **GIFTS, DONATIONS AND SPONSORSHIPS POLICY**

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## 1. BACKGROUND

This policy in terms of Gifts, Donations and Sponsorships is authorized by Section 45(b) and (c) and section 76(1)(1) of Public Finance Management Act and the Public Service Code of Conduct which places an onus on each official within the Department to take responsibility for the effective, efficient, economical and transparent use of financial and other resources within that official's area of responsibility.

## 2. OBJECTIVE OF THE POLICY

To provide a framework within which gifts, donations and sponsorship occur in a controlled environment for the ultimate benefit of the Department.

## 3. SCOPE OF APPLICATION

This policy will be applicable to all employees within the Department of Education.

## 4. GUIDING PRINCIPLES

Treasury Regulations 21.1.1, 21.2.1, 21.3.1:

### 21.1 Granting of gifts, donations and sponsorships by the state (Section 76(1)(1) of the Public Finance Management Act)

21.1.1 The Accounting Officer (AO) may approve gifts, donations and sponsorships of state money and other movable property in the interest of the State. When such cash amounts exceed R100 000, the approval of the relevant legislature shall be sought by including the item separately in the estimates of expenditure.

### 21.2 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, 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 nor what purpose a gift, donation or sponsorship should be applied, the relevant executive authority may decide how it must be utilized.

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 Department.



**21.3 Gifts of donations of immovable property by or to the state (Section 76(1)(k) and (l) PFMA**

- 21.3.1 The relevant Treasury's approval must be obtained before Departments offer or accept any gift or donations of immovable property.
- 21.3.2 Department must submit to the relevant treasury the reason for and the conditions under which the gift or donation of immovable property is offered or accepted.

**5. POLICY IMPLEMENTATION**

**5.1 Acceptance of Gifts, Donations and Sponsorships by the Department**

- a) The acceptance of any gift, donation or sponsorship is subject to a submission recommended by the relevant manager or regional manager for approval by the Accounting Officer. Submission must pass through the Chief Financial Officer (CFO) for recommending to the Accounting Officer.
- b) All cash gifts, donations or sponsorships must be paid into the relevant revenue fund.
- c) Where it is not apparent for what purpose a gift, donation or sponsorship should be applied, the Member of the Executive Council (MEC) may decide how it must be utilized.
- d) Donor funding received in terms of the Reconstruction and Development Fund 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.

**5.2 Gifts, Donations of Immovable Property**

- a) The Provincial Treasury's (PT) approval shall be obtained before the Department offers or accept any gifts or donations of immovable property.
- b) The Department shall submit to the Provincial Treasury the reason for and the conditions under which the gifts or donation of immovable property is offered or accepted.
- c) The Department shall keep proper record of all such approved gifts or donations movable or/ immovable property for reporting purposes.

**5.3 Gifts, Donations and Sponsorship in Cash**

**5.3.1 Cash amounts less than R100 000.00**

The following conditions apply to the granting of cash amounts by the Department in respect of gifts, donations and sponsorships:

- a) Submissions shall be forwarded to the Accounting Officer via the CFO for approval and shall include the following:
  - i. Motivation, why it is in the interest of the Department to grant a gift, donation or sponsorship.
  - ii. Details of the recipient of the gift, donation or sponsorship.
  - iii. The cost of the gift, donation or sponsorship.
  - iv. The benefit to the Department, if any, and the link to its strategic plan.
  - v. The availability of funds under applicable main and subdivision of the vote and the item to which such expenditure shall be debited.
  - vi. Any other relevant information that would enable the Accounting Officer to decide whether or not such gift, donation or sponsorship should be granted.
- b) Once approval has been granted by the Accounting Officer, payment of the relevant gift, donation or sponsorship shall be affected against the appropriate budgetary allocation.
- c) The CFO shall maintain proper record of all payments for reporting purposes.

### **5.3.2 Cash amounts exceeding R100 000.00**

- a) Submission shall be forwarded to the Accounting Officer via the CFO to the Provincial Legislature for approval and shall include the following:
  - i. Motivation, why it is in the interest of the Department to grant a gift, donation or sponsorship.
  - ii. Details of the recipient of the gift, donation or sponsorship.
  - iii. The cost of the gift, donation or sponsorship.
  - iv. The benefit to the Department, if any, and the link to its strategic plan.
  - v. The availability of funds under applicable main and subdivision of the vote and the item to which such expenditure shall be debited.
  - vi. Any other relevant information that would enable the Provincial Legislature to decide whether or not such gift, donation or sponsorship should be conducted.
- b) Once approval has been granted by the Provincial Legislature, payment of the relevant gift, donation or sponsorship shall be affected against the appropriate budgetary allocation.
- c) Should there be a need to grant a gift, donation or sponsorship after the finalization of the estimate of expenditure, the amount shall be included in the Adjustments budget for that particular financial year.

- d) Proper record of all payments shall be maintained for reporting purposes.

### **5.3.3 Gifts, donations and sponsorships received by the Departmental Employees**

Departmental employees shall adhere to the Public Service Regulations and the confines of all other relevant and cultural values.

In terms of the Public Service Code of Conduct all employees are not allowed to receive gifts or benefits for himself or/ herself as these may be construed as a bribe. (Refer: C.5 (C.5.3))

When a person is employed as a Public Servant, such an appointment carries a very special meaning. It clearly implies that such an employee sells his or her labour to the State and will be remunerated from taxes collected from the community at large and that the employee shall then provide the community with the best possible service in a professional and dedicated manner.

It must be clearly understood by both Public Servants and the community at large that unless it is officially required that a member of the public should pay an additional amount for a specific service, e.g. in the case of a certain amount which has to be paid for the issuing of a matric certificate, *no* further payments be it in cash or kind, should be made.

Where additional payments are required for a specific service, this should also be indicated on the relevant (application) documents.

Likewise, potential service providers in the private sector should be made aware of the fact that the Public Service, in procuring services/goods, are bound by the principles contained in the Constitution regulating public administration which require the highest possible level of professional conduct.

Offers of gifts, sponsorships, promotional material, luncheon invitations, etc. should thus not form part of their promotional activities in regard to the Public Service as it inevitably creates the impression/perception of improper influencing of decision takers and also makes for unfair competition where small service providers cannot afford to undertake such activities.

## **5.4 Management Reporting**

### **5.4.1 Quarterly reporting**

The CFO shall submit a written report to the Accounting Officer of all gifts, donations and sponsorships made and received in cash or in kind.

### **5.4.2 Annual reporting**

Treasury Regulation 21.2.4 requires that all gifts, donations or sponsorships received and made in cash or otherwise during the course of a financial year be disclosed as a note to the Annual Financial Statements of the Department.

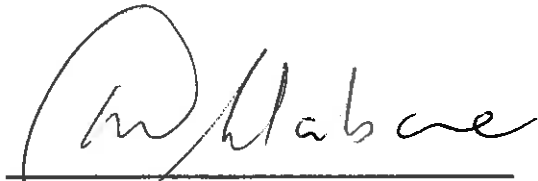
**6. IMPLEMENTATION**

Responsibility for the implementation of this policy rests with all employees of the Department.

**7. AMENDMENT**

The Policy shall be amended as and when necessary and shall follow the initial policy development process.

APPROVED BY:           *hoo mlh abae*          



HEAD OF DEPARTMENT

DATE:           12/9/14          

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