



LIMPOPO
PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

**DEPARTMENT OF
AGRICULTURE AND RURAL DEVELOPMENT**

**CONTROL OF GIFTS, DONATIONS & SPONSORSHIP PROCEDURE
MANUAL**

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Recommended:


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Maisela, RJ
(Head of Department)

2017-03-07
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Date

Approved:


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Honourable Member of Executive Council
Mapula Mokaba-Phukwana (MPL)

2017/03/27
.....

Date

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1) Acronyms and abbreviations

CFO	Chief Financial Officer
HOD	Head of Department
LDARD	Limpopo Department of Agriculture and Rural Development
MEC	Member of Executive Council
MOU	Memorandum of Understanding
PFMA	Public Finance Management Act

2) Executive summary

The procedure manual for the control of gifts, donations and sponsorship, is addressing all matters relevant to the granting of gifts and donations by the LDARD as well as the receiving thereof. It is indicating the control of gifts in immovable property as well as cash. The monthly, annual and quarterly reporting is discussed in detail.

3) Introduction

This procedure manual seeks to ensure guidance and proper control and accounting treatment of gifts, donations and sponsorships by the LDARD.

Both the granting of gifts and donations as well as the receiving thereof need to be controlled properly to ensure that no irregularities take place and that proper reports regarding these are available.

4) Purpose and objectives of the procedure manual

The purpose of this manual is to provide a process to be followed within which gifts, donations and sponsorships are managed and accounted for in departments to ensure they occur in a well-controlled environment for the ultimate benefit of the LDARD. (Partnerships are excluded since they need to function according to the various MOU's).

5) Authority

The procedure manual on the control of gifts, donations and sponsorships are issued under the custodianship of the HOD (as Accounting Officer) and MEC (as Executive Authority) of the Limpopo Department of Agriculture and Rural Development.

6) Legal Framework

The procedure manual has been developed within the legal framework of the Public Finance Management Act and also takes the Public Service Regulations into consideration.

7) Scope of application

This procedure manual and its stipulations are applicable to all sponsorships, donations and gifts which has relevance for the LDARD.

This is excluding Departmental Bursaries and voluntary donations by staff for events such as casual day, etc.

8) Definitions

GIFTS: Refer to all items which is given or received which is not being bought

DONATIONS: Refer to all items which are being given away/received free of charge

SPONSORSHIPS: Refer to those items which is bestowed upon a person/organisation that is often carrying the corporate logo of the donor. It might also be in the form of university fees, etc.

9) Pronouncements of the procedure manual

9.1 Granting of gifts, donations and sponsorships by the LDARD

- a) The Accounting Officer may approve gifts, donations and sponsorships of departmental money and other movable property in the interest of the department.
- b) When such cash amounts exceed R100 000 per case, the approval of the relevant legislature shall be sought.

The procedure as described below, should be followed in all instances.

9.2 Acceptance of gifts, donations and sponsorships by the LDARD (Movable property)

- a) The Accounting Officer may approve the acceptance of any gift, donation or sponsorship to the department, whether such gifts, donations or sponsorships are in cash or kind.

The end user should write a submission to the HOD (through the office of the CFO) giving motivation why such gift, donation or sponsorship should be accepted. The submission should indicate the following:

- (1) Name of people/institution giving the gift/donation
- (2) Nature of the gift/donation
- (3) Amount/value of the gift or donation
- (4) Conditions attached to such gift/donation
- (5) Whether such gift/donation is cash or in kind

- b) All cash gifts, donations and sponsorships must be paid into the relevant revenue fund except for those excluded by Treasury Regulation 21.2.5; when such gift or donation is received in cash, a receipt shall be issued by the cashier. The cashier shall allocate such transaction in the relevant code. The receipt shall indicate:

- (1) name of person granting gift or donation to the department
- (2) description of such gift or donation
- (3) amount involved

- c) The MEC may decide how a gift, donation or sponsorship should be utilised where it is not apparent for what purpose it should be applied

- d) When a donor/sponsor requests to remain anonymous, the Accounting Officer must submit, to the Provincial Treasury, a certificate from both the Public Protector and the Auditor-General, which states that:

- (1) the identity of the donor or sponsor has been revealed to them
- (2) that they have noted it
- (3) that they have no objection

9.3 Gifts/donations of immovable property

- a) The Provincial Treasury's approval shall be obtained before the Department offers or accepts gifts or donations of immovable property
- b) The Department shall submit to the Provincial Treasury the reasons for and the conditions under which the gift or donation of immovable property is offered or accepted
- c) The Department shall record all such approved gifts or donations of immovable property received or given in the Asset Register for reporting purposes

Once approval has been obtained from Provincial Treasury, the head of the Asset Unit, shall ensure the following:

- (1) The handing over certificate is completed and signed by both the donor and HOD
- (2) The handing over certificate shall indicate:
 - i) Size of asset
 - ii) Description of asset
 - iii) Value of asset
- (3) The supporting documents (such as title deed) is attached to the handing over certificate
- (4) The immovable property received, should be valued at fair value before accounting for it in the asset register if the value thereof is not known. The Asset Register shall be updated with all particulars of the transaction within 10 day of handing over.

9.4 Gifts, donations and sponsorship in cash

9.4.1 Cash amounts less than R100 000

A) Initiation

The person requesting approval for granting a gift, shall make a submission which should be recommended by his/her Chief Director to the Office of the CFO.

The following shall apply to the granting of cash amounts by the LDARD in respect of gifts, donations and sponsorships which are less than R100 000;

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)
- v) The availability of funds under the applicable main and sub-division of the vote and the item to which such expenditure shall be debited; and
- 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) Approval

- i) Once approval has been granted by the Accounting Officer, payment of the relevant gift, donation or sponsorship shall be effected against the appropriate budgetary allocation.
- ii) Proper record of all payments shall be maintained for reporting purposes.

9.4.2 Cash amounts exceeding R100 000

The following conditions shall apply to the granting of cash amounts by the LDARD in respect of gifts, donations and sponsorships which are in excess of R100 000:

- 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)
 - v) The availability of funds under the applicable main and sub-division of the vote and the item to which such expenditure shall be debited; and
 - vi) Any other relevant information that would enable Provincial Legislature to decide whether or not such gift, donation or sponsorship should be granted
- b) Once approval has been granted by Provincial Legislature, payment of the relevant gift, donation or sponsorship shall be effected 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 Adjustment Budget for that particular financial year.
- d) Proper record of all payments shall be maintained for reporting purposes.

9.5 GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED BY DEPARTMENTAL OFFICIALS

Departmental Officials within the LDARD shall adhere to Public Service Regulations, the confines of all other relevant prescripts, and cultural values when accepting gifts, donations and sponsorships.

The Departmental Official shall not accept any gift without prior approval by the HOD. Such an Official shall write a submission to the HOD (through the Office of the CFO) detailing the reason why such gift is given to him/her. The value of such gift may not exceed R350 - 00 per case.

9.6 Recording and reporting

Once an approval has been granted, the Supply Chain Management official responsible for handling gifts and donations shall make proper recordings in the prescribed register to be kept as indicated below:

Management Reporting

9.6.1 Monthly reporting

The monthly report shall indicate all particulars as recorded in the register of gifts and donations. Such register shall contain the following information:

- a) Name of person granting or receiving the gift, donation or sponsorship
- b) Value
- c) Date received or granted
- d) Approval number
- e) Description of such gift, donation or sponsorship
- f) Condition attached to gift
- g) Cash or in kind

9.6.2 Quarterly reporting

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

The following information shall be reported to the Accounting Officer:

- a) Name of person granting or receiving the gift, donation or sponsorship
- b) Value
- c) Data received or granted
- d) Approval number
- e) Description of such gift, donation or sponsorship
- f) Condition attached to gift
- g) Cash or in kind

9.6.3 Annual reporting

All gifts, donations and sponsorships received and made in cash or otherwise during the course of a financial year shall be disclosed as a note to the Annual Financial Statements of the Department. The following information shall be disclosed:

- a) Name of person receiving/accepting the gift

- b) Value of the gift, donation or sponsorship
- c) Date received or granted
- d) Balance brought forward from previous year

10) Default

This manual prescribes the official handling and control of gifts, donations and sponsorships by the LDARD and under no circumstances will any deviation of this manual be tolerated. Should a deviation be needed, it will only be allowed with the written permission and motivation of the HOD.

11) Inception date

The date of approval (as indicated on the cover page) is also the date of inception.

12) Termination and review

This procedure manual on the control of gifts, donations and sponsorships will be reviewed after 2 years or otherwise as and when a need arise.

13) Enquiries

All enquiries regarding this procedure manual should be directed towards:

Director: Asset Management, Limpopo Department of Agriculture and Rural Development,
Private Bag X9487, POLOKWANE, 0070/ Tel: 015 294 3000

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Maisela, RJ
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