

# BA-PHALABORWA LOCAL MUNICIPALITY



## GIFTS, DONATIONS AND SPONSORSHIP POLICY

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PROCEDURES AND PRINCIPLES ON GIFTS, DONATIONS AND  
SPONSORSHIP

**2026-2027**

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## **1. PREAMBLE**

This policy seeks to ensure guidance and proper control and accounting treatment of gifts, donations and sponsorships by and to Ba-Phalaborwa Municipality.

## **2. PURPOSE**

The purpose of this document is to provide a policy framework within which gifts, donations and sponsorships are managed and accounted for in Ba-Phalaborwa Municipality to ensure they occur in a well-controlled environment for the ultimate benefit of the Municipality.

## **3. POLICY PRONOUNCEMENTS**

### **3.1 Granting of gifts, donations and sponsorships by the Municipality**

- a) The Accounting Officer may approve gifts, donations and sponsorships of Ba-Phalaborwa Municipality money and other movable property in the interest of the Municipality.
- b) When such cash amounts exceed R 100 000 per case, the approval of the Ba-Phalaborwa Municipal Council shall be sought.

### **3.2 Acceptance of gifts, donations and sponsorships by the Municipality**

- a) The Accounting Officer may approve the acceptance of any gift, donation or sponsorship to the Municipality, whether such gifts, donations or sponsorships are in cash or kind;
- b) All cash, gifts, donations or sponsorship must be paid into the relevant revenue fund except for those excluded by Treasury Regulation 21.2.5;
- c) The Member of the Municipal Council may decide how a gift, donation or sponsorship must be utilized where it is not apparent for what purpose it should be applied;
- d) When a donor or 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 the identity of the donor or sponsor has been revealed to them, that they have noted it and have no objection;

### **3.3 Gifts or donations of immovable property**

- a) The Provincial Treasury's approval shall be obtained before a Ba-Phalaborwa Municipality offers or accepts any gifts or donations of immovable property.

- b) The Municipality 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 Municipality shall record all such approved gifts or donations of immovable property received or given in the asset register for reporting purposes.
- d) 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.

### 3.4 Gifts, donations and sponsorships in cash

#### 3.4.1 Cash amounts less than R1 000 000

The following conditions shall apply to the granting of cash amounts by the Municipality in respect of gifts, donations and sponsorships which are less than R1 000 000

a) Submissions shall be forwarded to the Accounting Officer via the Chief Financial Officer for approval and shall include the following:

I. Motivation - why it is in the interest of the Municipality 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 Municipality, 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) 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.

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

#### 3.4.2 Cash amounts exceeding R100 000

The following conditions shall apply to the granting of cash amounts by Ba-Phalaborwa Municipality in respect of gifts, donations and sponsorships which are in excess of R1 000 000

a. Submissions shall be forwarded to the Accounting Officer via the Chief Financial Officer to the Provincial Legislature for approval and shall include the following:

I. motivation - why it is in the interest of the Municipality 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 Municipality, 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 Provincial Legislature to decide whether or not such gift, donation or sponsorship should be granted.

- b. Once approval has been granted by the 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 Adjustments Budget for that particular financial year.
- d. Proper record of all payments shall be maintained for reporting purposes.

### **3.5 Gifts, Donations and sponsorships received by Ba-Phalaborwa Municipality officials**

Municipal officials shall adhere to Public Service Regulations, the confines of all other relevant prescripts, and cultural values when accepting any gift, donation or sponsorship and they will be required to declare them and record the transaction in the gifts, donations or sponsorship register,

The Risk Management Unit will be the custodian of the Gifts, Donations and Sponsorships register and they will be responsible for managing and updating the register. Officials who need to declare anything will have to visit the Risk Management Unit.

### **3.6 Management Reporting**

#### **3.6.1 Annual Reporting**

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

#### **3.6.2 Quarterly Reporting**

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

## **4. AUTHORITY**

This Policy shall remain the only for Gifts, Donations and Sponsorships in Ba-Phalaborwa Municipality.

## **5. COPY RIGHTS**

No part of this policy may be reproduced or distributed in any form or by any means, or stored in a database or retrieval system, in any network, electronic storage or transmission without the prior consent of Ba-Phalaborwa Municipality.

## **6. IMPLEMENTATION DATE**

This policy comes into operation with effect from date of approval.

## **7. AMENDMENT**

This policy may be amended, in writing, by MUNICIPAL COUNCIL in consultation with Management as and when necessary.

## **8. TERMINATION**

This policy will be terminated upon the inception of a new policy.

## **9. COMMENCEMENT**

This policy document takes effect on the date on which it is approved by Council.

## 10. Policy Approval

This policy was formulated by Budget and treasury Management in consultation with the Treasury.

### 11. Review and amendment of the Policy

1. This Policy must be reviewed periodically in order to ensure continued alignment with the MFMA, applicable regulations, National Treasury guidance, audit findings and the operational needs of the municipality.
2. In addition to periodic review, the municipality must review this Policy where:
3. Legislative or regulatory amendments affect assets Management processes;
4. Audit findings or oversight recommendations indicate weaknesses in assets management;
5. Institutional changes require clarification of roles, procedures or reporting lines; or
6. Practical implementation challenges reveal gaps or ambiguities in the Policy.
7. The Council must approve any amendment to this Policy following consideration of a formal submission setting out the reasons for the amendment, the proposed changes and the implications for financial governance and oversight.
8. Until amendments are approved by Council, the existing provisions of this Policy remain binding on all officials and councillors

### 12. ADOPTION BY THE COUNCIL

Resolution NO: <b>461/26</b>	Approved date: <b>27 May 2026</b>
Effective Date <b>01 July</b>	Review date: <b>Annually</b>

**AUTHORITY**

  
**MUNICIPAL MANAGER**

**MS MOKOBI ST**

  
**COUNCIL SPEAKER**

**MR. NO MABUNDA**