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NPO Registration: 016-342

13 August 2013

## **REQUEST FOR PRESENTATION TO PARLIAMENT TO CONSIDER APPROPRIATE LEGISLATION IN SUPPORT OF SOME CONDUIT NON-PROFIT ORGANISATIONS**

### **Purpose**

The purpose of the requested opportunity to address parliament on the need for the National Lottery to support some non-profit organisations, for example, community foundations, is to indicate to parliamentarians the damage that could be caused by legislation that intentionally or unintentionally encourages, in particular, community foundations, not to provide capacity building training or issue grants to non-profit and community-based organisations located in most of South Africa's rural communities.

### **Background**

Current legislation governing distribution of funds from the National Lottery does not allow the National Lottery to support and issue grants to non-profit and community-based organisations that include community foundations. What this means is that ill-equipped, poor and under-resourced non-profit and community-based organisations located in some of South Africa's rural communities will never benefit from the National Lottery. These organisations, in the case of community foundations, depend entirely on community foundations for capacity building training and for small grants that enable them to develop and promote socio-economic values based on self-development and self-reliance. To say this is unacceptable to community foundation practitioners would be state the obvious.

### **Request**

In view of the current legislation governing distribution of funds from the National Lottery, particularly to non-profit organisations that include conduit organisations, for example, community foundations, it is requested that I be granted an opportunity to address parliament on the need for legislation on the National Lottery Distribution Fund to be amended from its current form. I have in the interim telephonically spoken to the National Lottery about the

concerns stated in this communication. The Chairperson of the National Lottery Distribution Fund clearly understood my point of view, and encouraged me to make a request that I be allowed on 14 August 2013 or on a later date to address parliament on my concerns. I am thankful to him for the advice he gave me.

Sincerely,

**Chris Mkhize**

CEO: Uthungulu Community Foundation

Mobile: 082 692 6405

# Firm foundation for community upliftment

DAVE SAVIDES

SOUND financial controls and good governance saw the uThungulu Community Foundation (UCF) significantly increase its donations and grants payments in the past year, despite a slight decrease in donations received.

Figures presented at the Foundation's 14th AGM and grant-issuing function at

the ZCBF Community Park on Thursday, showed assistance to community organisations rose from R381 621 in 2012 to R533 105 in the current financial year.

UCF was also able to increase its endowed funds from R15,3-million to R16,5-million over the period.

Since 2001, grants have been issued to the value of R3-million and today another 15 community-based organisations

are receiving grants, said Denis Soldat of auditors Hills Howard and Associates.

This could not have happened without the solid support of local, national and international donors as well as the UCF board and staff, who are determined to not be paralysed by the tough socio-economic conditions.

For the first time, representatives of the national Department of Social Develop-

ment (DSD) were present at the AGM. DSD assistant director Kgothu Mbele said there are 21 647 registered NPOs in KZN, of which 1 419 are in Zululand. A further 30 applications are currently being processed while 70 applications were unsuccessful.

The uThungulu region has 767 registered NPOs, with 20 awaiting approval and 33 unsuccessful, while the respective figures for Umkhanyakude are 928 registered, 19 waiting and 46 not approved.

'We have an ongoing problem of lack of capacity and even illiteracy which leads to these failures, while often the success-ful NPOs do not thereafter adhere to the legal requirements, including submitting annual reports,' said Mbele.

'Be warned, if your NPO is not registered and compliant, you will lose funds and can be prosecuted if you still use your NPO number.'

Mpele said DSD has ongoing negotiations with NPOs and held a summit last year to address issues such as funding and capacity building.

A ministerial team has been set up to implement the outcomes of the summit. The minister also announced around R500 million to assist and train NPOs.



VIPs at the uThungulu Community Foundation AGM included Busisani Mathebula (UCF), Mamo Hohapi (MOTT Foundation), Lilly Mswame (DSD), Thamo Mzobe (NDA), His Majesty King Goodwill Zwelethini and Queen Zola Mafu, Kgothu Mbele (DSD), Goodwill Sekela (DSD), canon Hamilton Mbatha and Chris Mkhize (UCF CEO). PHOTOS: Dave Savides