CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD

CONTRIBUTIONS POLICY

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Acronyms and Definitions

CID	Community Improvement District
CoPAC	Community of Practice and Advisory Committee in respect of Partnerships and Collaboration
CSIP	City Support Implementation Plan
CSP	Cities Support Programme
ED	Executive Director
GRAP	Generally Recognised Accounting Practices developed by the Accounting Standards Board
IDP	Integrated Development Plan
MFMA	Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003)
OPEX	Operational Expenditure
PBO	Public Benefit Organisation as contemplated in section 30 of the Income Tax Act, 1962 (Act No. 58 of 1962)
SCM	Supply Chain Management
SDBIP	Service Delivery Budget Implementation Plan
SOP	Standard Operating Procedure
TA	Technical Assistance
TPU	Technical Partnerships Unit

Definitions

Term	Definition
Anonymous contribution	A contribution received from a contributor who is not known or does not want to be known or recognised.
An Asset	A resource controlled by the City as a result of a past event, from which future economic benefits or service potential are expected to flow to the City.
Benefit	Any tangible or intangible advantage or profit gained by an individual, including tickets to events, invitations to meals, promotions, accommodation or travel.
City	The City of Cape Town, a municipality established by the City of Cape Town Establishment Notice No. 479 of 22 September 2000, issued in terms of the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998), or any structure or employee of the City acting in terms of delegated authority.
Contribution(s)	Donations, endowments, non-gazetted conditional grants, and technical assistance in terms of which goods or services are given to the City other than in terms of a commercial transaction.
Council	The Municipal Council of the City.
Donations	An unconditional contribution of time, assets or money to the City without expectation of return.
Delegated Authority	The authority conferred by the Council on a political structure, political office bearer or official in terms of the approved System of Delegations, enabling such person or structure to exercise specified powers, duties or functions on behalf of the Council, subject to the conditions, limitations and applicable legislation governing such delegation.
Gazetted Conditional Grant	A conditional allocation of funds to the City by National or Provincial Government, published in the Division of Revenue Act/Bill or in the Provincial Gazette.
Gift	Physical offerings, goods, services, hospitality, money, sponsorships, commissions or any benefit received in an official capacity and excludes City-branded goods, officially sponsored City functions and nominal marketing material.
Guidelines	The processes, procedures, templates or tools related to implementation of the Policy, updated from time to time.
Integrated Development Plan (IDP)	The Integrated Development Plan (IDP) is the central strategy of the City of Cape Town (the City). The IDP communicates to residents, businesses and investors the City's long-term vision, and how the City plans to achieve it. It is required in terms of the Municipal Systems, 2000 (Act 32 of 2000), which defines the IDP as a municipality's principal strategic planning instrument that guides all municipal planning.
Non-Gazetted Conditional Grant	Conditional grants to a municipality by organs of state, entities, agencies, private sector or any other organisation that is not promulgated in the annual Division of Revenue Act or Provincial Gazette.
Public Private Partnership	A commercial transaction between the City and a private party as defined in Chapter 11 Part 2 of the MFMA (Public-Private

	Partnerships), 2003.
Sponsorship	Commercial contributions for a specific purpose as required by the sponsor or the City in exchange for advertising and marketing opportunities for the sponsor or the City.
Technical Assistance (TA)	Non-financial assistance provided by local or international partners/agencies.

1 Introduction

1.1 The City of Cape Town ("City") recognises the role that community, partnerships, philanthropy, corporate social investment, donations, technical assistance and other forms of external contributions play in advancing its constitutional mandate and strategic objectives.

1.2 Contributions to the City, whether in the form of goods, services, technical expertise or endowments, may enhance service delivery, support community development and strengthen the City's capacity to respond to social, economic and environmental challenges.

1.3 This Policy provides a clear, principles-based governance framework for:

a) Requesting contributions in an ethical and authorised manner;

b) Assessing and accepting contributions in compliance with applicable legislation;

c) Distinguishing contributions from commercial transactions, sponsorships and public-private partnerships;

d) Managing financial, procurement, legal and reputational risks associated with contributions; and

e) Ensuring transparent recording, reporting and oversight of contributions received by the City.

1.4 This Policy sets out the overarching governance principles applicable to contributions to the City. Operational processes and procedural requirements related to the receiving of contributions are governed by the relevant approved standard operating procedures (SOPs) and guidelines, as amended from time to time.

2 Problem Statement

2.1 Individuals, organisations and businesses often wish to contribute to the City. As such, a Contributions Policy is required to provide a clear and integrated governance framework for the assessment, processing and management of contributions.

2.2 In the absence of such a framework, contributions may give rise to governance, compliance, reputational and operational risks, including potential non-compliance with legislation, perceived inducement or preferential treatment, inconsistent due diligence and reporting, and the risk of accepting contributions that create unfunded financial or operational obligations.

2.3 Since the approval of the original Contributions Policy in 2015, the regulatory environment, governance expectations and operational practices of the City have evolved.

2.4 Additional SOPs and internal guidelines have been developed to regulate donations, non-gazetted conditional grants, externally funded technical assistance as well as supply chain compliance and reporting requirements.

2.5 This updated Policy consolidates and streamlines the overarching governance framework to ensure alignment with these newer instruments and with current legislative requirements.

3 Policy Objectives

3.1 The objective of this Policy is to provide a clear, integrated governance framework for the ethical requesting, assessment, and acceptance of contributions to the City.

3.2 This Policy seeks to ensure that all contributions are aligned to the City's strategic priorities and constitutional mandate; comply with applicable legislation, including the Municipal Finance Management Act (MFMA)and Supply Chain Management (SCM) Regulations; and are subject to appropriate due diligence, delegation and oversight processes.

3.3 Finally, the Policy is intended to promote transparency, accountability and proper record-keeping, while enabling the City to responsibly leverage external goodwill and resources to support social and economic development outcomes.

4 Guiding Principles

4.1 This Policy is guided by the following principles:

4.1.1 **Efficiency and effectiveness**

Processes for requesting and accepting contributions must be clear, streamlined and proportionate to the value and risk of the contribution.

4.1.2 Ease of doing business

The City will facilitate responsible partnerships through accessible and streamlined processes that support external engagement while maintaining compliance with legislative requirements.

4.1.3 Transparency

All contributions must be properly documented, approved in terms of delegated authority, and subject to appropriate reporting and oversight.

4.1.4 Risk mitigation

A risk-based approach will be applied to assess financial, procurement, legal, operational and reputational risks prior to the acceptance of any contribution.

5 Legislative and Regulatory Environment

5.1 This Policy is informed by and must be implemented in accordance with applicable national legislation, municipal by-laws and approved City policies. These instruments collectively establish the governance, financial management, ethical and accountability standards within which contributions to the City must be requested, assessed, accepted, managed and reported.

5.1.1 National Legislation

The following national legislation provides the primary legal framework for this Policy:

a) Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA).
b) Municipal Supply Chain Management Regulations, issued in terms of the MFMA.
c) Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000).
d) Division of Revenue Act (annual), where applicable to gazetted conditional grants.
e) Auditor-General Act, 1995 (Act No. 12 of 1995).
f) Value-Added Tax Act, 1991 (Act No. 89 of 1991).
g) Prevention and Combating of Corrupt Activities Act, 2004 (Act No. 12 of 2004).
h) Disaster Management Act, 2002 (Act No. 57 of 2002), where applicable to disaster-related contributions.

5.1.2 Treasury, Accounting and Oversight Frameworks

This Policy must align with:

a) National Treasury databases for Tender and Contract Defaulters and Restricted Suppliers.
b) Generally Recognised Accounting Practice (GRAP) Standards.
c) Annual Financial Statement reporting requirements.

5.1.3 City By-Laws

Where applicable, this Policy must be read together with:

a) City of Cape Town Events By-Law.

b) City of Cape Town Outdoor Advertising and Signage By-Law.

5.1.4 **City Policies and Governance Instruments**

This Policy must align with and be implemented in conjunction with:

a) City of Cape Town System of Delegations.

b) City of Cape Town Integrated Development Plan 2022-2027

c) City of Cape Town Supply Chain Management Policy.

d) City of Cape Town Asset Management Policy.

e) Funding and Reserves Policy.

f) Fraud Prevention Policy and Fraud Response Plan.

g) Records Keeping Policy.

h) Rewards, Gifts, Favours and Hospitality SOP.

i) SOP for the Acceptance of Donations.

j) Application Guidelines for Non-Gazetted Grants.

k) SOP for the Identification, Application and Management of Externally Funded Technical Assistance.

l) Research Framework and related Research SOPs.

6 Strategic Alignment

6.1 This Policy supports the City's strategic objectives by enabling the responsible mobilisation and management of external contributions in alignment with approved development priorities.

6.1.1 **Integrated Development Plan (IDP)**

All requests for and acceptance of contributions must demonstrably align with the City's Integrated Development Plan (IDP) and its approved strategic focus areas. Contributions must support constitutionally mandated functions of local government and advance Council-approved programmes and service delivery outcomes.

6.1.2 **Service Delivery and Budget Implementation Plan (SDBIP)**

Where contributions are applied to performance targets reflected in the SDBIP, departments must ensure that monitoring and reporting accurately reflect both budgeted and contributed resources.

7 Scope

7.1 This Policy applies to requests for and acceptance of contributions by the City.

7.2 For clarity and governance purposes, **this Policy recognises the following categories of Contributions: Donations, Technical Assistance and Non-Gazetted Grants.**

7.3 This Policy establishes the overarching framework for contributions. Operational processes and requirements for each category of contribution are governed by the applicable approved SOP or guideline for each type of contribution (Donation, TA, and Non-Gazetted Grants).

7.4 For the avoidance of doubt, this Policy **does not apply** to the following:

a) Agreements governed by Chapter 11 Part 1 of the MFMA (SCM),

b) Agreements governed by Chapter 11 Part 2 of the MFMA (Public-Private Partnerships);

c) "Allocations" as contemplated section 1 of the MFMA;

d) Volunteer services where individuals contribute personal time to performing service delivery functions and receive no financial value in return as covered by the Volunteer Policy Framework;

e) Development Charges as contemplated in the definition of "development charge" contained in section 1 of the Development Charges Policy for Engineering Services for the City of Cape Town;

f) Municipal borrowings and loans;

g) Funding transferred directly to the City to be included in the municipal budget as a grant, donation or loan, where such funding falls under other approved frameworks;

h) Contributions made under the Relief and Charitable Allocations Policy (Mayoral Projects), 2024; Furthermore, no donation nor funding received by any person or organisation from the Executive Mayoral Fund may be donated back to the City, nor utilised to donate goods or services to the City of Cape Town.

i) Disaster Management contributions facilitated through the Disaster Risk Management Centre and governed by the Disaster Management Act;

j) Contributions to the City within City Improvement District (CID) areas and contributions to the City by CIDs within approved CID geographic boundaries and mandates;

k) Individual anonymous donations of for example: disaster relief donations or books and materials for libraries etc.). These contributions are of a non-capital nature and its use shall be determined by the City;

l) Donations of books, assets or services in kind to libraries governed by the Friends of Libraries Memorandum Of Agreement;

m) Immovable property transactions or proposals involving exclusive use rights over City land, which must be processed in terms of applicable property management and asset transfer legislation and policies; and

n) Sponsorships.

7.5 No contribution received in terms of this Policy may be used to directly fund any activity that directly benefits a political party.

8 Policy Provisions

8.1 **Requesting Contributions**

8.1.1 Contributions may be requested or applied for by the City or received as direct offers.

8.1.2 All types of contributions remain subject to assessment, due diligence and delegated approval requirements.

8.1.3 Contributions may only be requested where the–

a) request is authorised in terms of the City's System of Delegations;

b) initiative aligns with the Integrated Development Plan (IDP) and other strategies;

c) initiative falls within the City's constitutional mandate.

8.1.4 In accordance with the Rewards, Gifts, Favours and Hospitality SOP and applicable ethical standards, no City official may request or accept any contribution, donation, gift, favour or hospitality for personal benefit or for the benefit of another individual outside of an authorised City process.

8.1.5 Furthermore, officials are prohibited from directly or indirectly requesting contributions in a manner that may create actual or perceived inducement or conflict of interest.

8.1.6 The detailed process to request contributions, including authority levels, documentation and due diligence requirements, is governed by the relevant approved SOP.

8.2 **Assessment and Risk Management**

8.2.1 All contributions must be assessed using a risk-based approach appropriate to their nature, value and potential impact.

8.2.2 Assessment must consider:

a) Alignment with the IDP and other strategies and

b) SCM due diligence and screening checks;

c) Financial sustainability, including future operating or capital obligations;

d) Legal and reputational risks;

e) Conflicts of interest or inducement risks; and

f) Compliance with applicable legislation.

8.2.3 Where contributions involve the donation of assets or infrastructure, the responsible department must assess lifecycle costs, maintenance obligations and long-term sustainability prior to acceptance.

8.3 **Ways to Contribute**

8.4 Members of the public, organisations and institutions may propose contributions to support the City's programmes and service delivery objectives in accordance with this Policy

8.5 Proposals for donations of goods, assets or endowments may be submitted to getinvolved@capetown.gov.za and will be considered in accordance with the City's Donations SOP.

8.6 Proposals for technical assistance or Non-Gazetted Conditional Grants may be submitted to technicalpartnerships@capetown.gov.za and will be considered in accordance with the City's Technical Assistance SOP and the City's Non-Gazetted Grants Guidelines.

8.7 **Acceptance of Contributions**

8.7.1 The City reserves the right to decline any contribution that presents financial, procurement, legal, operational or reputational risk, or that is inconsistent with the City's strategic objectives or legislative obligations.

8.7.2 Contributions may only be accepted by the relevant delegated authority as per the City's System of Delegations.

8.7.3 Acceptance must—

a) be documented in a report approved by the relevant delegated authorityand
b) comply with applicable legislative and regulatory requirement.

8.7.4 Contributions must be recorded by a signed agreement between the City and the Donor.

8.7.5 Certain Contributions **do not require an agreement**, these include:

a) anonymous contributions (for example: disaster relief donations or books and materials for libraries etc.). These contributions are considered to be of a non-capital nature, and its use shall be determined by the City.
b) endowments or bequests to the City but the relevant legal documents (letters from the lawyers or wills, for example) are required and must be submitted to the Treasury: Accounting and Assets Department for record-keeping.

8.7.6 Donations of assets to the City may be tax deductible for donors in terms of and subject to the limitations prescribed in section 18A of the Income Tax Act, 1962 (Act No. 58 of 1962). Donations made to the City are also exempt from Donations Tax in terms of section 56(1)(h) of the Income Tax Act as the City is an approved PBO (reference number 930046438). City Treasury may be approached to issue a tax-deductible receipt for donations made to the City in terms of section18A of the Income Tax Act.

8.8 Reporting and Oversight

All contributions will be recorded within the City and all necessary national and legislative reporting requirements will be met.

9 Roles and Responsibilities

Role	Key Responsibilities
Council	• Approves contributions where required in terms of legislation or delegations (e.g. immovable property, long-term financial implications).
Executive Mayor/Mayoral Committee	• Approves contributions in accordance with the System of Delegations.
City Manager	• Ensures appropriate governance controls are in place. • Signs Contribution agreements where required by delegation.
Executive Directors	• Ensure alignment of proposed contributions, TA and grants with the IDP. • Approve contribution requests or applications in terms of delegated authority. • Provide directorate-level oversight.
Line Department	• Identifies opportunities for contributions. • Prepares proposals or submissions. • Adheres to internal acceptance and approval processes as per SOPs and Guidelines. • Conducts preliminary assessment of alignment and sustainability. • Implements projects funded or supported through contributions. • Monitors compliance with conditions. • Submits required progress and performance reports.
Technical Partnerships Unit (TPU) Policy and Strategy Department	• Secures externally funded Technical Assistance and non-gazetted conditional grant funding. • Supports partner engagement and proposal development. • Ensures alignment with strategic priorities. • Proactively scopes Department needs
Grant Compliance Unit, Grant Funding Department	• Reviews non-gazetted conditional grant proposals for compliance. • Advises on funding conditions, grant agreements and budgetary process considerations. • Monitors grant compliance and reporting obligations.
CoPAC (Community of Practice and Advisory Committee in respect of Partnerships and Collaboration)	• Advise Donors and Line Departments on the process to be followed for the consideration, acceptance and reporting of Donations as well as facilitating input from the City's Legal Services, Supply Chain Management and Treasury Departments in relation to the Donation process outlined.
SCM	• Monitors inducement and conflict-of-interest risks. • Conducts relevant due diligence and screening requirements.

10 Monitoring, Evaluation and Review

10.1.1 This Policy shall be reviewed every three years or earlier if legislative changes require it.