



## **MAYORAL DISCRETIONARY FUND POLICY**

# **RAMOTSHERE MOILOA LOCAL MUNICIPALITY**

**Council resolution : 47/05/2015**

**Approval date : 28<sup>th</sup> MAY 2015**

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## **MAYORAL DISCRETIONARY FUND POLICY**

### **1. PREAMBLE**

Like all expenditure votes in the budget, a budget allocation must be made in an accountable, open and transparent manner, including how such funds are being utilized. It should be noted that any transactions would form part of the normal audit of the municipality. Moreover, any activity should be operated in a transparent manner within the policy direction set by council and the administrative direction of the accounting officer. As such the Council must set clear policies on the purpose and use of such public resources and the accounting officer must ensure compliance with this policy when authorizing expenditure.

### **2. PURPOSE**

The purpose of this policy is to :

- a. establish parameters for an annual allocation to the Mayoral Discretionary Fund;
- b. identify the key responsibilities of authorization and accountability for the Mayor; Municipal Manager and Council staff; and
- c. establish an internal certification process to ensure transparency in the expenditure of the MDF.

### **3. OBJECTIVES**

The objective of this policy is to ensure that proper authorization, accountability and transparency processes exist for expenditure from the MDF.

### **4. SCOPE**

This policy provides details of authorization requirements for the MDF and the areas under which expenditure may be authorized.

### **5. LEGAL FRAMEWORK**

The Municipal Finance Management Act 56 of 2003 requires sound and sustainable management of the financial affairs of municipalities and specifically requires of the accounting officer of a municipality to take reasonable steps to ensure that the municipality has and maintains an effective system of expenditure control, including procedures for the approval, authorization, withdrawal and payment of funds (section 65).

### **6. TIMEFRAMES**

This policy comes into operation immediately upon its approval by the Council.

### **7. DEFINITIONS**

### **8. PRINCIPLES**

This policy is underlined by the principles of

- a. Transparency and openness;

- b. Accountability;
- c. Fairness to all;
- d. Communication Improvement

## **9. ROLES AND RESPONSIBILITIES**

### **9.1 The Administration**

The Municipal Manager must annually :

- a. Facilitate the revision of this policy;
- b. Communicate and make this policy accessible to all those who need and qualify for the Municipality's assistance courtesy of the MDF; and
- c. Monitor and regularly report on the impact of the MDF grants.

### **9.2 The Council**

Councillors are required to familiarize themselves with this policy's contents, make their constituencies aware of it and oversee its implementation by the officials.

### **9.3 The Community**

It is expected of the community to familiarize themselves with this policy, observe it, and demand its full implementation.

## **10. POLICY DIRECTIVES AND PROCEDURE**

### **10.1 Operational Provisions**

- a. An annual allocation shall be made to the MDF to enable the Mayor to respond to contingent requirements that may arise from time to time.
- b. The MDF may be used only at the discretion of the Mayor;
- c. All requests for expenditure under the MDF are to be presented to the Mayor for his/her approval or otherwise;
- d. Once an approval has been received, the relevant official is to raise a written request for funds and forward to Chief Financial Officer(CFO), together with all the necessary supporting documentation;

- e. Upon receipt of the funds, the relevant official is to forward the funds to the receiving organization or individual, ensuring that the necessary receipt or tax invoice provisions are complied with;
- f. The relevant officer is to monitor expenditure to ensure that expenditure remains within budget; and
- g. Expenditure from the MDF shall be reported annually to the Council

### **10.2 Guidelines for Expenditure Approval**

Whilst the MDF is a discretionary fund, the guidelines for its usage should be subject to the tests of either "community benefit" or "functional need" in terms of duties and responsibilities of the Mayor. In such terms, funding grants may be authorized, in the absence of alternative appropriate funding options, to :

- a. Provide support for Ramotshere Moiloa Local Municipality based charitable institutions, organizations or individuals;
- b. Assist in the development of initiatives or ventures for Blouberg community based sporting, cultural, philanthropic or youth institutions, organizations or individuals;
- c. Facilitate the promotion of community relations;
- d. Assist with the promotion of economic or community development initiatives within Blouberg; and
- e. Further potential in the establishment or conduct of initiatives that will provide benefit to the Blouberg community.

### **11.EVALUATION CRITERIA**

The success of this policy shall be measured by the number of ventures succeeding as a result of the MDF grants received.

### **12.ATTACHMENTS**

- a. MDF Application Form

### **13.POLICIES REPEALED**

All previously adopted Council resolutions on any matter herein addressed.

**THUS DONE AND SIGNED ON THIS THE 28<sup>th</sup> MAY 2015 AT RAMOTSHERE MOILOA LOCAL MUNICIPALITY.**

  
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**Speaker Ramotshere Moiloa Local Municipality**