

# Mastering good governance A guide for the development sector

## NPO and PBO registration



# Introduction

Sound, effective governance is essential to the long-term sustainability and credibility of any organisation working in South Africa's vibrant civil society. It is part of what inspires confidence in donors, beneficiaries and the public.

There is a global move towards professionalising the not-for-gain sector, and our modern business environment dictates that now, more than ever, good governance is critical when attracting new donors, and to the maintenance of existing funder relationships.

The reality is that it is difficult for organisations working for the public good to raise funds in South Africa, and therefore to fulfil their implied mandate of community service, without some form of legal registration.

Tshikululu Social Investments believes that an organisation's very first step towards good governance is its successful registration as a non-profit organisation (NPO) AND as a public benefit organisation (PBO), and we have compiled this introductory guide to demystify that process.

It is our hope that in so doing we will encourage alignment to governance principles that will ultimately result in better-managed not-for-gain organisations that are equipped to make a meaningful, long-term contribution to the development of South African communities everywhere.

## NPO or PBO? We say both

It is important to note that registration as a non-profit organisation, and as a public benefit organisation, are not the same. What follows is a summary of the differences between the two, and why Tshikululu advocates application for both forms of registration.

An **NPO** is registered with the **Department of Social Development** and appears on the Register of Non-profit Organisations. Through registration, information about NPOs is gathered and made publicly available.

It is understood that a registered NPO is compliant with the **Non-profit Organisations Act 71 of 1997** (as amended), which encourages NPOs to maintain adequate standards of governance, transparency and accountability. The NPO Act was followed by the Codes of Good Practice for NPOs to encourage self-regulation within the sector.

Registration as an NPO is voluntary, but be aware that NPO registration is a funding requirement for most donor and funding agencies. Another point to consider is that association with a government agency does lend credibility to an organisation. NPO status is required for work with government departments as well.

Also a voluntary registration, a **PBO** is registered under the **Income Tax Act 58 of 1962** (as amended) by the **South African Revenue Service (SARS)**. The activities of the organisation will determine whether it qualifies for exemption under Section 30 only, or for exemption under Section 18A as well.

Section 18A exemption creates a win-win situation for both donors and recipient organisations as the donor receives a tax rebate when he or she donates to the tax-exempt PBO, and every cent of the donation reaches the end-beneficiary instead of some of it being earmarked for taxes and duties.

**1. For more information:** Click to visit the highlighted website, or see the URL in the numbered **Resources** section at the end of this guide.

**1. Legislation:** Click to visit the highlighted website with more information about the related legislation, or see the URL in the numbered **Resources** section at the end of this guide.

**2. Legislation**  
**2. For more information**

## NPO or PBO? continued

It is no longer a requirement that an organisation register under the NPO Act in order to qualify for PBO approval. However, if an organisation commits an offence under the NPO Act, SARS may withdraw that organisation's PBO approval.

**If an NPO does NOT register as a PBO, it will be liable for income and other taxes and duties like a normal taxpayer, and will not provide tax benefits for donors or potential donors. Your NPO will still need to register for, and receive, PBO status for tax-exempt status.**

**Do not forget that the two applications are completed separately with their respective bodies.**

Very important!

## Let's take a step back – what kind of organisation is yours?

We use the term 'organisation' frequently throughout this document because it is a convenient umbrella term that covers several different legal entities, any of which can apply for NPO or PBO status.

For the sake of this guide, we'll concentrate on three such entities, and provide a very brief summary of their most relevant characteristics:

- A non-profit company;
- A trust; and
- An association of persons established in terms of a constitution.

When it comes to NPOs and PBOs, what links these entities is that they have been established for a public purpose, no matter what statutory or financial requirements are unique to each.

As of 1 May 2011, with the introduction of the new **Companies Act 71 of 2008**, a **non-profit company** (NPC) is the name now given to entities previously known as Section 21 companies. NPCs are founded on a Memorandum of Incorporation which sets out its objectives, and is signed by a minimum of three people known as incorporators. NPCs are registered with the **Companies and Intellectual Properties Commission (CIPC)**, either by an accountant, company secretary or statutory service or by following the **steps** outlined on CIPC's website.

3. Legislation

3. For more information  
4. For more information

Section 21 companies existing prior to 1 May 2011 are now recognised as NPCs, and should use that designation.

Very important!

All NPCs are required to submit annual returns and are expected to comply with the Companies Act.

In terms of **Trust Property Control Act 57 of 1988**, the *inter vivos* (or "between the living") **trust** is created during the lifetime of the founder to carry out one or more public benefit activities. Those activities are outlined in a trust deed which is lodged with the Master of the High Court who has jurisdiction over the area in which most trust assets are situated.

4. Legislation

A minimum of three trustees must be registered with the Master who must be notified of any change to those trustees.

## What kind of organisation is yours? continued

An **association of persons** is an extremely broad entity which includes any company or association or body of individuals. Non-governmental organisations, community-based organisations, faith-based organisations and any other voluntary association could fall into this category.

Importantly when it comes to NPO and PBO registration, the association should be formalised sufficiently to have a constitution, and should intend to earn an income.

As mentioned above, this was a brief summary of the characteristics of each entity – a comprehensive exploration of the intricate workings of the company, tax and property law that govern the formation of these entities, the appointment of officers, and the duties of those officers is beyond the scope of this guide.

## You know what kind of organisation you have, now what?

Any of the organisations we've described will require a **founding document**. This legal document – the Memorandum of Incorporation, trust deed or constitution – guides the members on the objectives of the organisation, how it should be run, its structure and the duties of its directors.

As well as outlining the philosophy of the organisation, banks and building societies will require a copy of the founding document before allowing the organisation to open an account, and the document should include the clauses required by the NPO and Income Tax Acts.

The founding document is a very important record, so we have included a template based on a trust deed, which can be found in **Appendix A**. This document can serve as a framework for drawing up the constitution or trust deed for your organisation, and in order to be acceptable must include certain clauses as set out in the appended founding document.

It is important to remember that:

- **Non-profit organisations** and **non-profit companies** are usually managed by a board of directors or a management committee. As that board or committee may or may not contain all of the organisation's members, and may have limited or unlimited decision-making powers, be sure to define the specific responsibilities and powers of members and of the management committee or office bearers in the founding document.
- The **trust deed** must set out the powers of the trustees and can detail the responsibilities and powers of any public officer.

## How to register an NPO

NPO registration is open to the three entities we detailed above. To register as a non-profit organisation, you will need to submit the following documentation to the Department of Social Development:

- A completed **application form**, found on the Department of Social Development's website; and
- Two copies of the organisation's **founding document**. The founding document must meet the requirements of section 12 of the NPO Act. To assist with this requirement, a checklist is part of the application form.

**1. Forms:** Click here to access the forms referred to in the text, or see the URL in the numbered **Resources** section at the end of this guide.

Once an organisation is registered as an NPO, it is obliged in terms of sections 18 and 19 of the NPO Act to submit within nine months after the end of its financial year, annual reports comprising a narrative report, annual financial statement and an accounting officer's report. These should include any changes to the organisation's constitution, physical address and office bearers.

A thirty-days notice is served to all those registered NPOs whose reports are overdue as per requirements of section 20 of the NPO Act. Failure to comply with this notice results in an organisation's NPO registration status being cancelled in terms of Section 21 of the NPO Act.

Once an organisation has been cancelled, deregistered or dissolved, it is a criminal act to represent itself as being registered in terms of the NPO Act. The offence is also extended to a person or persons using the registration number of another organisation, and making any false representation in any report submitted.

## How to register a PBO

In addition to the three entities we know can apply for PBO status, a **branch** of a charitable organisation exempt from income tax in its country of origin, and established in South Africa, can do the same.

To receive PBO status, your organisation must be involved in one or more public benefit activities as defined by the Income Tax Act. These can be broadly described as the following:

- Welfare and Humanitarian;
- Health Care;
- Land and Housing;
- Education;
- Religion and Belief and Philosophy;
- Conservation/Environment/Animal Welfare;
- Research and Consumer Rights;
- Sports; and
- Providing of funds to an association carrying on PBAs.

We have included a more detailed description of approved public benefit activities and how they are listed in Sections 30 and 18A of the Income Tax Act, in **Appendix B**.

To register as a public benefit organisation, you will need to submit the following documents to the Tax Exemption Unit of SARS:

## How to register a PBO continued

- **Form EI1:** Application to register as a PBO, completed and signed by the public officer; **2. Forms**
- **Form EI2:** Written undertaking to be signed by three trustees unrelated to one another, taking fiduciary responsibility for the PBO; **3. Forms**
- Certified copy of the **founding document**, which must comply with all requirements of the EI2; and
- **Form EI3:** Written undertaking to be signed by three trustees if your organisation provides bursaries or awards for study. **4. Forms**

The application can take up to two months. If SARS grants your organisation PBO status 'with conditions', ensure that those conditions are met before the deadline to avoid the lapse of your PBO status.

In terms of the Income Tax Act, approved PBOs are required to submit annual returns, maintain a place for the service or delivery of notices from the Commissioner, and keep the Commissioner updated on any changes to the address of service.

Remember that PBOs with Section 18A tax exemption approval, which allows people who make donations to such PBOs to deduct those donations from their taxable income, must issue receipts to their donors. Receipts must include the following information:

- The reference number of the organisation issued by the Commissioner for the purposes of sections 30 and 18A;
- The date of the receipt of the donation;
- The name of the organisation;
- The name and address of the donor;
- The amount of the donation or the nature of the donation (if not made in cash); and
- A certification to the effect that the receipt is issued for the purposes of section 18A of the Act, and that the donation has been or will be used exclusively for the object of the trust in carrying on the relevant public benefit activity.

Public schools must register with the provincial **Department of Education** to receive an EMIS number (the unique, 8-digit number assigned to all schools by the Department of Education); however, they need not apply for PBO tax exemption status individually through SARS. The provincial department of education must apply for PBO status for the province. Private learning institutions must apply individually for PBO status.

**5. For more information**

## In conclusion

Organisations working towards the development of South Africans are answerable to their communities as well as to their funders, employees, volunteers and directors, so arguably, they have an even greater obligation to implement basic structures, measures of accountability, ethical standards and so on.

Good governance does not end with the legal registration of an organisation, or with the successful application for tax exemption. In fact, that is only where the journey towards a sustainable organisation begins.

## Important addresses and contact numbers

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### Directorate of NPOs

HSRC Building  
134 Pretorius Street  
Pretoria 0001

Department of Social Development  
Private Bag X901  
Pretoria 0001

Tel: 012 312 7500  
e-mail: [npoenquiry@dsd.gov.za](mailto:npoenquiry@dsd.gov.za)

### SARS Tax Exemption Unit

1250 Pretorius Street  
Hatfield, Pretoria

PO Box 11955  
Hatfield 0028

Tel: 012 422 8800  
[teu@sars.gov.za](mailto:teu@sars.gov.za)

## Websites referenced in the guide

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### For more information

1. Department of Social Development - <http://www.dsd.gov.za/>
2. South African Revenue Service - <http://www.sars.co.za/>
3. Companies and Intellectual Properties Commission - <http://www.cipc.co.za>
4. Guide to company registration procedure - [http://www.cipc.co.za/Companies\\_files/CompanyReg.pdf](http://www.cipc.co.za/Companies_files/CompanyReg.pdf)
5. Department of Education - <http://www.education.gov.za/>

### Legislation

1. Non-profit Organisations Act 71 of 1997 - <http://www.etu.org.za/toolbox/docs/building/guide.html>
2. Income Tax Act 58 of 1962 - <http://www.acts.co.za/tax/index.htm>
3. Companies Act 71 of 2008 - <https://www.saica.co.za/News/MediaKit/Publications/Communique%C3%A9/Communique%C3%A930April2009/CompaniesAct71of2008/tabid/1452/language/en-ZA/Default.aspx>
4. Trust Property Control Act 57 of 1988 - <http://www.lawaccess.co.za/za-act/trust-property-control-act-1988>

### Forms

1. NPO application submitted to the Department of Social Development - [http://www.dsd.gov.za/npo/index.php?option=com\\_docman&task=doc\\_download&gid=77&Itemid=39](http://www.dsd.gov.za/npo/index.php?option=com_docman&task=doc_download&gid=77&Itemid=39)
2. EL1 submitted to SARS - <http://www.sars.co.za/Tools/Documents/DocumentDownload.asp?FileID=45824>
3. EL2 submitted to SARS - <http://www.sars.co.za/Tools/Documents/DocumentDownload.asp?FileID=63039>
4. EL3 submitted to SARS - <http://www.sars.co.za/Tools/Documents/DocumentDownload.asp?FileID=45603>

## About Tshikululu Social Investments

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Tshikululu Social Investments is South Africa's leading social investment manager, providing a comprehensive service for private sector entities to undertake comprehensive community grantmaking. Tshikululu is a bridge between the interests of corporate clients and the realities found at the heart of development. The development of this introductory guide to Registering an NPO and a PBO is part of our commitment to servicing our development partners.

This edition of the **Mastering Good Governance** series was researched and compiled by Gina de Villiers and Jade Carvalho. Please note that the guide is not intended to be exhaustive and does not constitute legal advice. Content may not be republished in whole or in part without due acknowledgement given to Tshikululu Social Investments and the authors.

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# Towards good governance A guide for the non-profit sector

## Part 1: Registering an NPO and a PBO Appendix A

## Model founding document

The template that follows can be used to create the founding document for a **trust**, or **trust deed**.

The document can also serve as the founding document of a **non-profit organisation** if the following changes are made:

- All mentions of 'trustee' are replaced with 'members'
- All mention of 'trust' are replaced with 'organisation'
- If your organisation is administered by a **management committee**, the clauses below should be included:

A management committee will manage the organisation. The management committee will be made up of not less than (insert number) members. They are the office bearers of the organisation.

Office bearers will serve for one year, but they can stand for re-election for another term in office after that. Depending on what kind of services they give to the organisation, they can stand for re-election into office again and again. This is so long as their services are needed and they are ready to give their services. **(Inclusion of this clause is not compulsory for NPO registration, although inclusion is desirable to demonstrate commitment governance.)**

If a member of the management committee does not attend three management committee meetings in a row, without having applied for and obtaining leave of absence from the management committee, then the management committee will find a new member to take that person's place.

The management committee will meet at least once a month. More than half of members need to be at the meeting to make decisions that are allowed to be carried forward. This constitutes a quorum.

Minutes will be taken at every meeting to record the management committee's decisions. The minutes of each meeting will be given to management committee members at least two weeks before the next meeting. The minutes shall be confirmed as a true record of proceedings, by the next meeting of the management committee, and shall thereafter be signed by the chairperson.

The organisation has the right to form sub-committees. The decisions that sub-committees take must be given to the management committee. The management committee must decide whether to agree to them or not at its next meeting. This meeting should take place soon after the sub-committee's meeting. By agreeing to decisions the management committee ratifies them.

All members of the organisation have to abide by decisions that are taken by the management committee.

The management committee has the right to make by-laws for proper management, including procedure for application, approval and termination of membership.

The organisation will decide on the powers and functions of office bearers. **(Define duties of any office bearers. For example, 'the accounting officer shall be responsible for the preparation of financial statements and oversight of audits of the annual financial statements.)**

[name of the trust]

## DEED OF TRUST

between

(name of the founder) (registration number if company)

and

(names of all the trustees)

### 1. Name

- 1.1 The trust hereby constituted will be called \_\_\_\_\_ (hereinafter referred to as the trust).  
1.2 The founder and the Trustees by unanimous resolution may change the name of the Trust.

### 2. Interpretation

- 2.1 In this Trust Deed the following words and phrases shall have the meanings assigned to them respectively, unless the context otherwise requires:
- 2.1.1 "the Act" means the Income Tax Act No. 58 of 1962, as amended;
  - 2.1.2 "beneficiary" means:
    - 2.1.2.1 any public benefit organisation as defined in section 30 of the Act carrying on, within South Africa, any one or more public benefit activities listed in Part I/Part II of the Ninth Schedule of the Act;
    - 2.1.2.2 any school, university, college, educational institution, board or body contemplated in section 10(1)(cA)(i) of the Act provided that the resources of that organisation are applied in pursuance of one or more public activities listed in Part II of the Ninth Schedule of the Act;
    - 2.1.2.3 any person or association of persons carrying on, within South Africa, any one or more public benefit activities listed in Part I/Part II of the Ninth Schedule of the Act.
  - 2.1.3 "the Commissioner" means the Commissioner for the South African Revenue Service;
  - 2.1.4 "the company" includes a close corporation, reference to shares in a company include a member's interest in a close corporation and references to directors of a company include members of a close corporation who participate in its management;
  - 2.1.5 "donation" means any amount received gratuitously by the Trustees acting on behalf of the Trust, which amount is subject to the terms and conditions of the Trust Deed and the granting thereof is irrevocable;
  - 2.1.6 "founder" means (the name of the person who or company that founded the organisation);
  - 2.1.7 "Relative" indicates any person related within the third degree of consanguinity;
  - 2.1.8 "the Trustees" means the Trustees who signed this Trust Deed and all persons assumed by or succeeding them as Trustees or otherwise appointed in terms of this Trust Deed;
  - 2.1.9 "the Trust Fund" means the money or assets donated to or received by the Trust and any other assets or funds administered by the Trustees from time to time, whether consisting of, or acquired with, or yielded by the money or assets donated to or otherwise acquired by the Trust;
- 2.2 In this Trust Deed, unless the context otherwise requires:
- 2.2.1 words referring to one gender shall include a reference to all genders;
  - 2.2.2 words importing the singular shall include the plural and vice versa;
  - 2.2.3 a reference to a person includes a reference to an individual, a body corporate, an unincorporated association or a partnership and that person's legal representatives and successors.

### 3. Objects and activities

The objects of the Trust shall be:

- 3.1 to establish a fund in the Republic of South Africa the sole object of which shall be to receive donations to be used exclusively for carrying on one or more public benefit activities (PBAs) listed in clause 3.2 below, or for providing funds to public benefit organisations or institutions carrying on one or more PBAs listed in clause 3.2 below, provided that:

- 3.1.1 such public benefit activities are approved activities as defined in Part I/Part II of the Ninth Schedule to the Act and are carried out in a non-profit manner and with an altruistic or philanthropic intent;
- 3.1.2 no such activity is intended to directly or indirectly promote the economic self-interest of any fiduciary or employee of the Trust, otherwise than by way of reasonable remuneration payable to that fiduciary or employee; and
- 3.1.3 the Trust may not use its resources directly or indirectly to support, advance or oppose any political party.
- 3.1.4 the Trust shall be prohibited from accepting any donation which is revocable at the instance of the donor for reasons other than a material failure to conform to the designated purposes and conditions of such donation, including any misrepresentation with regard to the tax deductibility thereof in terms of section 18A: Provided that a donor (other than a donor which is an approved public benefit organisation or an institution board or body which is exempt from tax in terms of section 10(1)(cA)(i) of the Act, which has as its sole or principal object the carrying on of any public benefit activity) may not impose conditions which could enable such donor or any connected person in relation to such donor to derive some direct or indirect benefit from the application of such donation.
- 3.1.5 where the Trust provides funds to any public benefit organisation or to any association of persons carrying on a public benefit activity, the Trustees shall take reasonable steps to ensure that the funds are used for the purpose for which they have been provided.
- 3.1.6 At least 85 per cent of such activities, measured as either the cost related to the activities or the time expended in respect thereof, are carried out for the benefit of persons in the Republic, unless the Minister of Finance, having regard to the circumstances of the case, directs otherwise;
- 3.2 to [insert objects of the Trust]
- 3.3 scholarships, bursaries and awards
  - 3.3.1 All scholarships, bursaries or awards granted by the Trust must be bona fide and be granted (in the case of scholarships or bursaries) to an individual on grounds of objective merit or need.
  - 3.3.2 No scholarship, bursary or award so granted may be –
    - 3.3.2.1 revocable, otherwise than for reasons of a material failure to conform to the designated purposes and conditions of the scholarship, bursary or award;
    - 3.3.2.2 subject to conditions which would enable the donor of the funds of the scholarship, bursary or award or any connected person in relation to the donor, to derive some direct benefit from the application of the scholarship, bursary or award; or
    - 3.3.2.3 granted to any person who is or will become an employee of the donor of the funds of the scholarship, bursary or award or of the Trust (or of any associated institution in relation to the donor or the Trust) or any relative of that person, unless circumstances indicate that the scholarship, bursary or award would have been granted to the person or his or her relative even if that person had not been an employee of the donor, the Trust or an associated institution.
  - 3.3.3 All decisions regarding the granting of scholarships, bursaries and awards shall be made by a duly constituted committee consisting of at least three persons who are not connected persons in relation to the donor or the person to whom the scholarship, bursary or award is granted.
  - 3.3.4 All scholarships, bursaries and awards granted in respect of overseas study, research or teaching shall be subject to an undertaking by the person to whom the scholarship, bursary or award is granted –
    - 3.3.4.1 to apply the knowledge obtained from the study, research or teaching immediately after completion thereof, in the Republic for a period of at least the period for which the study, research or training was funded by the Trust; or
    - 3.3.4.2 to refund the full amount of the scholarship, bursary or award should that person decide not to apply the knowledge as contemplated in the immediately preceding sub-clause.
- 3.4 To administer the Trust fund in accordance with the objects of the Trust.
- 3.5 The Founder will be associated and identified with any amounts distributed to the beneficiaries in terms of this Trust Deed.

#### 4. Section 18A certificates

The Trust shall, in respect of every contribution to the Trust Fund, furnish the contributor with a receipt on which the following particulars are given:

- 4.1 the reference number of the Trust issued by the Commissioner for the purposes of sections 30 and 18A;
- 4.2 the date of the receipt of the donation;
- 4.3 the name of the trust/organisation;
- 4.4 the name and address of the donor; the amount of the donation or the nature of the donation (if not made in cash);
- 4.5 a certification to the effect that the receipt is issued for the purposes of section 18A of the Act, and that the donation has been or will be used exclusively for the object of the trust in carrying on the relevant public benefit activity.

### **5. Vesting of trust assets and liabilities**

- 5.1 Assets of the Trust may be registered in the name of the Trust, the Trustees for the time being, or a nominee of the Trust.
- 5.2 Notwithstanding that assets of the Trust may be registered in the name of or otherwise be under the control of the Trustees, the Trustees or other office-bearers have no rights in the assets or other property of the Trust solely by reason of their being Trustees or office-bearers and the assets may not be distributed to of trustees or office bearers.

### **6. Application of Trust Fund**

- 6.1 The Trust shall be prohibited from distributing any of its funds to any person otherwise than in the course of undertaking any public benefit activity and advancing the objectives of the Trust as set out in this Trust Deed.
- 6.2 No income or property of the Trust may be distributed to its office-bearers or employees except as reasonable compensation for services rendered and no remuneration will be paid to any employee, office bearer, member or other person which is excessive, having regard to what is generally considered reasonable in the sector and in relation to the service rendered and has not and will not economically benefit any person in a manner which is not consistent with its objects.
- 6.3 The Trust will not be a party to, or does not knowingly permit, or has not knowingly permitted, itself to be used as part of any transaction, operation or scheme of which the sole or main purpose is the reduction, postponement or avoidance of liability for any tax, duty or levy which, but for such transaction, operation or scheme, would have been or would have become payable by any person under the Act or any Act administered by the Commissioner.
- 6.4 No less than 75% of the net income of the Trust Fund for any financial year in its operation shall, except to the extent that the Commissioner otherwise permits, be distributed and applied in terms of the objectives of the Trust as set out in this deed during that or the next succeeding financial year.
- 6.5 The word "income" shall include all accruals.

### **7. Termination of the Trust**

- 7.1 The Trust shall continue indefinitely, notwithstanding any change in the composition of its office-bearers, but the Trust may be dissolved at any time by unanimous resolution of all of the Trustees then in office.
- 7.2 Upon termination and dissolution of the Trust the Trustees shall transfer its assets, at their discretion, to:
  - 7.2.1 any public benefit organisation with similar objectives which has been approved in terms of section 30 or section 18A of the Act; or
  - 7.2.2 any institution, board or body which is exempt from tax under the provisions of section 10(1)(cA)(i) of the Act which has its sole or principal object the carrying on of any public benefit activity; or
  - 7.2.3 any department of state or administration in the national or provincial or local sphere of government of the Republic of South Africa as contemplated in section 10(1)(a) or (b) of the Act.

### **8. Trustees**

- 8.1 Number of Trustees

There shall at all times be not less than three (3) Trustees in office. The Trustees, who shall not be connected persons in relation to each other as contemplated in the Act, shall accept fiduciary responsibility for the Trust and ensure that no single person directly or indirectly controls the decision making powers of the Trust.
- 8.2 Appointment of trustees
  - 8.2.1 The Trustees may at any time assume any person as a Trustee, either in addition to the Trustees or

to replace a Trustee who has ceased to hold office, but no person shall be assumed as a Trustee unless that person has, prior to being assumed, been approved by unanimous written agreement of all the trustees in office.

### 8.3 Security

The Trustees (including any person assumed or appointed in the place of any Trustee) shall be exempt from any obligation to furnish security in connection with their appointment and/or for the due administration of the Trust to the Master of the Supreme Court or any other person, body or authority, as provided for in any law now in force or to come into force relating to trusts and the protection of trust monies, and the Master and any such other person, body or authority are hereby directed to dispense with such security.

### 8.4 Disqualification

A person shall be disqualified from being a Trustee if –

- 8.4.1 he would be disqualified from acting as a director of a company in terms of section 218(1)(c) or (d) of the Companies Act, 1973 as amended or any corresponding statutory provision;
- 8.4.2 he has been removed from an office of trust on account of misconduct;
- 8.4.3 the estate of that person has been sequestrated, whether provisionally or finally;
- 8.4.4 he is insane or incapable of managing his affairs or has been declared a prodigal; or
- 8.4.5 he has committed an offence involving dishonesty under the laws of any country;
- 8.4.6 he is over 70 years of age, unless the other Trustees and the Founder annually waive this disqualification in relation to any person.

### 8.5 Vacation of office

A Trustee shall cease to hold office if he –

- 8.5.1 becomes disqualified from being a trustee in accordance with the preceding sub-clause;
- 8.5.2 resigns on reasonable written notice to the other Trustees (there being at least three other Trustees in office) and to the Founder;
- 8.5.3 has been appointed for a limited period and that period has expired;
- 8.5.4 files an application for the surrender of his estate or an application for an administration order if he commits an act of insolvency as defined in the insolvency law for the time being in force or if he makes any arrangement or composition with his creditors generally;
- 8.5.5 is requested in writing to resign by the other Trustees (there being at least three other Trustees in office) and he fails to do within 30 days.

### 8.6 Chairman

The Trustees may appoint a chairman and vice-chairman either for such period as they may decide or for a specific meeting.

## 9. Duties and responsibilities of trustees

### 9.1 minutes, reports and records

- 9.1.1 The Trustees shall keep minutes of their meetings and resolutions which shall be available for inspection by the Trustees at the address of the Trust.
- 9.1.2 A minute, or a certified copy of a minute, signed by the chairman or by the Trustees present at the meeting shall constitute evidence until the contrary is proved of the contents of the minute.
- 9.1.3 The Trustees shall keep full and accurate records of the financial affairs of the Trust and shall cause financial statements to be prepared in accordance with generally accepted accounting practice in South Africa. These financial statements shall be audited annually within three months of the financial year end of the Trust by an internationally recognised firm of auditors registered as such under the Auditing Profession Act, 2005 or any statute replacing that Act. The financial year end of the Trust shall, unless otherwise determined by the Trustees, be 30 June of each year.
- 9.1.4 The Trustees shall comply in all respects with the reporting requirements of the Commissioner from time to time. In particular, the Trustees shall submit the required returns for income tax together with the relevant supporting documents timeously to the Commissioner.

## 10. Powers of Trustees

### 10.1 payment of costs

- 10.1.1 Trustees shall be entitled to be reimbursed out of the income of the trust fund, to the extent that

the income of the Trust Fund is adequate for this purpose, for reasonable out of pocket expenses incurred on behalf of the Trust and all costs and expenses lawfully incurred by the Trustees in connection with the administration of the Trust Fund (including any income tax that may become payable by them in their representative capacity in respect of the income of the Trust) if such expenses have been approved by the Trustees.

### 10.2 exemption from liability

10.2.1 Except in the case of any loss arising from his own dishonesty, other wilful misconduct or gross negligence –

10.2.1.1 a Trustee shall not be personally liable for any loss suffered by the Trust or any beneficiary, howsoever arising and whatever the cause;

10.2.1.2a Trustee shall be indemnified out of the Trust Fund against any claims made against him arising out of or in any way connected with any act or omission in the course of the administration of the Trust.

10.2.2 No Trustee shall be liable for any act of dishonesty or other misconduct committed by any other Trustee unless he knowingly allowed it or was an accessory thereto.

10.2.3 If the Trustees bona fide make any payment to any person whom they assume to be entitled thereto under the terms of this Deed and it be subsequently found that some other person or persons is or are entitled thereto hereunder, the Trustees shall nevertheless not be responsible for the monies so paid.

### 10.3 Disputes

10.3.1 If any difference or dispute should arise between the Trustees they should as far as possible resolve the difference or dispute by discussion, either with or without such professional advice as they may consider appropriate.

10.3.2 If the Trustees are not so able to resolve the difference or dispute, then subject to any provisions of this Deed which provide otherwise the decision of a majority of Trustees in office shall bind the minority and accordingly the powers, discretions and authorities given to or vested in the Trustees may be exercised by a majority of them. Every such decision shall be regarded as a decision of all the Trustees and shall be binding upon all persons, including beneficiaries, but not so as to render any Trustee liable for anything done or omitted by a majority of the Trustees without his knowledge or approval.

10.3.3 Any deadlock which may arise between the Trustees shall be submitted to an arbitrator who shall be a senior advocate practising at the Johannesburg Bar and who shall, failing agreement between the Trustees as to the appointment within 10 days after the deadlock has arisen, be nominated by the Chairman or acting Chairman of the Johannesburg Bar Council. Any Trustee shall be entitled to appear personally or by single agent, duly appointed, but without any legal or other professional assistance before the arbitrator, and the proceedings shall be conducted as informally as possible. The provisions of the Arbitration Act 1965 or any statute which replaces it shall not apply. The decision of the arbitrator shall be final and binding on the Trustees and no Trustee or beneficiary shall make such decision the subject of any legal proceedings.

### 10.4 Subject to clause 6.1 the Trustees shall, in addition to all powers enjoyed by them under the common law or by statute, have the following powers-

10.4.1 from time to time and as often as they may think desirable to award, lend or otherwise disburse so much of the income of the Trust as the Trustees may, in their sole and absolute discretion, deem to be in the best interests of the Trust in order to achieve the objects of the Trust, and to exercise all powers relative thereto as if they were the absolute owners of such fund, and the Trustees' decisions and actions, whether actually made or taken in writing or implied from their acts, shall be conclusive and binding on all beneficiaries;

10.4.2 to leave any property (whether movable or immovable, corporeal or incorporeal) which is donated or bequeathed to or otherwise acquired by them in the form in which they receive it for such period as they in their absolute discretion deem fit, or to turn any of the said assets to account from time to time by way of exchange, sale or otherwise without limitation and, in exercising any powers of sale, whether conferred in this sub-paragraph or otherwise, to cause such sale to be effected by public auction, public tender or private treaty, as they may consider fit, with power to invest the proceeds of any realisation and any other amount from time to time in their hands in such manner and in such place as they in their absolute discretion deem fit and to realise and vary any such investments from time to time;

10.4.3 to grant servitudes, rights to prospect and other rights over property of the Trust on such terms and

- conditions as they may consider fit, to improve and develop immovable property by erecting buildings thereon or otherwise, to expend the capital or income of the Trust upon the preservation, maintenance and upkeep of such property or buildings, to demolish such buildings or effect such improvements thereto as they may consider fit;
- 10.4.4 to accept and acquire for the purpose of the Trust any donations (provided that all donations to the Trust shall be irrevocable), bequests or payments from any person, firm, company or association that may be given, bequeathed or paid to them as an addition or with the intention to add to, increase or augment the capital of the Trust, and any additions so accepted and acquired shall be deemed to form part of the Trust Fund to be administered and dealt with subject to the terms of this Deed;
- 10.4.5 to borrow from time to time such sums of money on such terms and conditions as they consider fit, with power from time to time to consent to any variations or alterations of borrowing or any other obligations or the Trust by the mortgage or pledge, either generally or specially, of any asset constituting portion of the Trust Fund and, if considered fit, to borrow afresh on security or otherwise for the purpose of repaying any such mortgage or pledge;
- 10.4.6 to open and operate (either themselves or by a person or persons authorised by them) upon accounts in banking institutions and other financial institutions;
- 10.4.7 subject to clause 10.6, to reimburse themselves from the Trust Fund for all expenses which may be incurred by them in or about the execution of the Trust's objectives and in terms of the powers conferred upon them, and, without detracting from the foregoing, to employ professional advisers, consultants, agents and other people whomsoever to carry out the objects of the Trust and to pay their fees, commissions, remuneration and other charges out of the Trust Fund and to confer upon any agents so appointed the right to exercise any discretion which may be vested in the Trustees;
- 10.4.8 to call in, recover, collect and sue for all monies to the Trust, to foreclose bonds, to buy in securities, to institute or defend legal proceedings and to sign all Deeds, powers of attorney and other documents that may be necessary for those purposes;
- 10.4.9 to sign and execute transfers and cessions of property, bonds, consents to cancellations of bonds, leases, servitudes and other Deeds and powers of attorney relating thereto, and generally all documents of any nature whatsoever as may be necessary from time to time in connection with the acquisition, realisation, disposal or encumbrance of assets of or for the Trust and the carrying out of the terms of this Deed;
- 10.4.10 for the purpose of allocating or distributing funds and generally for the purpose of the performance of their duties hereunder to determine, as they in their absolute discretion shall consider fit, to what extent receipts shall be treated as income and to what extent receipts shall be treated as capital and generally to decide, inter alia, by apportioning or allocating receipts, accruals and expenditure in such manner as they see fit, any difficulty which may arise as to what constitutes capital and what constitutes income, to treat any periodic receipts as income (although received from wasting assets) without being required to make provision for the amortisation thereof and any determination by the Trustees in terms of this sub-clause shall be final and binding and not open to challenge by anyone;
- 10.4.11 to deposit with and to allow to remain in the possession of a bank or banks or a trust company or trust companies or other depository or depositories, in the Republic of South Africa or any territory which was formerly part of the Republic of South Africa as the Trustees may think fit, any securities and other assets at any time held by the Trust;
- 10.4.12 to pay any beneficiary any amount due to the beneficiary in cash or in kind or partly in cash and partly in kind, with the power in their absolute discretion to determining the selection and valuation of any assets to be distributed and the manner of distribution thereof among beneficiaries provided that –
- 10.4.12.1 the Trustees may employ a valuer for the purpose of determining the value of any such assets;
  - 10.4.12.2 the decision of the Trustees as to the value of any assets for the purpose of this paragraph shall be final and binding on all interested persons;
  - 10.4.12.3 no beneficiary may dispute the value of any such assets;
- 10.4.13 to compromise, compound, submit to arbitration or settle upon such terms and conditions as they may deem advisable all claims made by or against the Trust or them in their capacity as Trustees or

matters arising in relation to the Trust and all compromises and settlements effected by them shall be final and binding on all beneficiaries under this Deed;

10.4.14 to make loans upon such conditions and at such rate of interest or without interest and with or without security to any such person or persons, company or companies, as they may deem fit, provided that-

10.4.14.1 no loan may be made at a rate of interest lower than the prevailing commercial rate of interest for similar loans except to a beneficiary;

10.4.14.2 no loans may be made to a trustee, founder and/or the relatives of a trustee or to any private company in or of which the founder, any Trustee or any relative of a Trustee is a shareholder or director;

10.4.15 to allow any beneficiary, but only a beneficiary, to occupy premises owned by the Trust free of charge.

10.4.16 to appoint another entity to perform the day to day administration of the Trust upon such terms and conditions as such other entity and the Trustees may agree upon.

10.5 Subject to any restrictions contained in this Trust Deed, the Trustees shall have all the powers of a natural person of full legal capacity dealing with his own affairs, except any powers which it is not competent in law to confer on Trustees. Without in any way limiting the scope of the Trustees' powers, it is recorded that they shall have power from time to time, and on such terms and conditions as they may decide –

10.5.1 to utilise the funds of the Trust solely for the purposes for which it has been established, or to invest the funds of the Trust which have not been expended for those purposes; provided that such funds may be invested only in the following manner:

10.5.1.1 with one or more financial institutions as defined in section 1 of the Financial Services Board Act, 1990; or

10.5.1.2 in securities listed on a licensed exchange as defined in the Securities Services Act, 2004; or

10.5.1.3 in such other prudent investments in categories of financial instruments and assets as the Commissioner may determine;

provided further that the Trustees shall be entitled to maintain any investment (other than an investment in the form of a business undertaking or trading activity or asset which is used in such business undertaking or trading activity) in the form that it was acquired by way of donation, bequest or inheritance. Any moneys on hand and not invested as set out above shall be deposited in a current or savings account with a bank registered as such under the Banks Act, 1990 and all financial transactions shall be conducted by means of that account;

10.5.2 to enter into contracts on behalf of the Trust including contracts of insurance and assurance, leases, loans (including loans to beneficiaries) with or without interest or security and contracts for the services of advocates, attorneys, auditors, advisers, agents, secretaries and others, to adopt and accept for the Trust benefits under contracts entered into for the benefit of the Trust, whether before or after its creation, and to employ staff; provided that any remuneration payable in terms of this clause shall be commensurate with the services actually rendered and shall not be excessive, having regard to what is generally considered reasonable for similar services.

10.6 Delegation

10.6.1 The Trustees may delegate any of their rights, powers and discretions to any one of them or to a committee which shall include at least one Trustee.

10.6.2 The Trustees may delegate their rights, powers and discretions in relation to investments to any suitably qualified third party.

10.7 Restrictions on trustees' powers

10.7.1 Save as expressly permitted in terms of the Act, the Trustees shall not have power to carry on any business undertaking or trading activities, to enter into any speculative activities, to engage in dividend-stripping activities or to engage in the letting of immovable property on a systematic or regular basis, nor shall they have the power to allow any person other than a beneficiary to occupy free of charge any building owned by the Trust.

10.8 The Trust and the trustees shall not have general powers to carry on business other than is necessary for them to enable them to realise the objects of the Trust. In particular, the Trust and the Trustees shall be prohibited from carrying on any business undertaking or trading activity, otherwise than to the extent that –

10.8.1 the gross income derived from all such business undertakings or trading activities do not in total exceed the greater of-

10.8.1.1 5 per cent of the gross receipts of the Trust; or

10.8.1.2 R100 000;

10.8.1.3 the undertaking or activity is-

10.8.1.3.1 integral and directly related to the sole object of the Trust; and

10.8.1.3.2 carried out or conducted on a basis substantially the whole of which is directed towards the recovery of cost and which would not result in unfair competition in relation to taxable entities;

10.8.2 the undertaking or activity, if not integral and directly related to the sole object of the Trust, is of an occasional nature and undertaken substantially with assistance on a voluntary basis without compensation; or the undertaking or activity is approved by the Minister of Finance by notice in the Government Gazette.

### 11. Meetings and proceedings

11.1.1 The trustees shall hold at least two meetings a year during which they shall deal with general business including the following:

11.1.1.1 agree the minutes of the previous meeting;

11.1.1.2 the management or chairman's report

11.1.1.3 the treasurer or accounting officer's report

11.1.1.4 any appeals or proposed disbursement of funds

11.1.1.5 any changes to the trust deed

11.1.1.6 appointment of office bearers

11.1.2 The Trustees shall hold such other meetings as they deem fit. Any trustee or trust administrator may convene a meeting of trustees on not less than 21 days' notice to the other Trustees (or at such shorter period as may be approved by the majority of the Trustees in office) and at a venue which is reasonably convenient.

11.1.3 Written notice shall be received by the Trustees not less than 7 days prior to the meeting and shall specify the business to be dealt with at the meeting and, if possible, shall be accompanied by the minutes of the previous meeting.

11.1.4 Save as set out in this Trust Deed the Trustees shall conduct their business as they think fit.

### 11.2 quorum

11.2.1 The quorum for a meeting of Trustees shall be a majority or three of the Trustees in office, whichever is the lesser (or where the number of Trustees is an even number, then half of the Trustees in office); provided that where a meeting, having been duly convened, is not attended by a quorum of Trustees the decisions made by the Trustees who are present may be ratified in writing by those of the Trustees who were not present.

### 11.3 Voting

11.3.1 All decisions of the Trustees shall be taken by majority vote and may be obtained by any procedure which the Trustees deem fit including by resolution passed at a meeting, orally, by telephone, telefax, e-mail or in writing provided that any oral or telephone resolution shall be reduced to writing at the earliest convenient opportunity and signed by the Trustees. In the case of an equality of votes the Chairman shall have a casting vote.

### 11.4 Resolutions

11.4.1 Resolutions passed at a meeting of Trustees at which all of the Trustees then in office –

11.4.1.1 are present in person or by means of conference telephone or video-conference linkage;

11.4.1.2 are able to hear all other participants in the meeting, to participate freely in the proceedings and to express their views audibly will have the same effect as if passed at a meeting at which all Trustees were physically present.

A written resolution signed by all the Trustees shall have the same effect as if passed at a meeting. Such a written resolution may take the form of several documents, each signed by one Trustee or more, setting out the text of the resolution.

### 12. Execution of documents

Subject to any express provisions which may be contained in this Trust Deed all Deeds, documents or instruments

## Model founding document continued

required to be executed by the Trustees shall be deemed to have been validly executed if executed in the name of the Trust by any one Trustee if duly authorised in writing to do so.

### 13. Amendment of Trust

The Trust shall have the power, with the agreement of a simple majority of the Trustees then in office, to alter, vary or add to the conditions hereof, including the power and authority of the Trustees, provided that the amendments to the Trust Deed are submitted to the Commissioner, and are approved in writing by the Founder, prior to such amendments being made.

Signed at ..... on this ..... day of .....(year)

#### Witness

.....

.....  
for: [the founder] duly authorised and  
warranting such authority

.....

Trustee

.....

Trustee

.....

Trustee

.....

Trustee

.....

Trustee

.....

Trustee

# Towards good governance A guide for the non-profit sector

## Part 1: Registering an NPO and a PBO Appendix B

## 1. Welfare and Humanitarian

- (a) The care or counseling of, or the provision of education programmes relating to, abandoned, abused, neglected, orphaned or homeless children.
- (b) The care or counseling of poor and needy persons where more than 90 per cent of those persons to whom the care or counseling are provided are over the age of 60.
- (c) The care or counseling of, or the provision of education programmes relating to, physically or mentally abused and traumatized persons.
- (d) The provision of disaster relief.
- (e) The rescue or care of persons in distress.
- (f) The provision of poverty relief.
- (g) Rehabilitative care or counseling or education of prisoners, former prisoners and convicted offenders and persons awaiting trial.
- (h) The rehabilitation, care or counseling of persons addicted to a dependence-forming substance or the provision of preventative and education programmes regarding addiction to dependence-forming substances.
- (i) Conflict resolution, the promotion of reconciliation, mutual respect and tolerance between the various peoples of South Africa.
- (j) The promotion or advocacy of human rights and democracy.
- (k) The protection of the safety of the general public.
- (l) The promotion or protection of family stability.
- (m) The provision of legal services for poor and needy persons.
- (n) The provision of facilities for the protection and care of children under school-going age of poor and needy parents.
- (o) The promotion or protection of the rights and interests of, and the care of, asylum seekers and refugees.
- (p) Community development for poor and needy persons and anti-poverty initiatives, including—
  - (i) the promotion of community-based projects relating to self-help, empowerment, capacity building, skills development or antipoverty;
  - (ii) the provision of training, support or assistance to community-based projects contemplated in item (i); or
  - (iii) the provision of training, support or assistance to emerging micro enterprises to improve capacity to start and manage businesses, which may include the granting of loans on such conditions as may be prescribed by the Minister by way of regulation.

## 2. Health Care

- (a) The provision of health care services to poor and needy persons.
- (b) The care or counseling of terminally ill persons or persons with a severe physical or mental disability, and the counseling of their families in this regard.
- (c) The prevention of HIV infection, the provision of preventative and education programmes relating to HIV/AIDS.
- (d) The care, counseling or treatment of persons afflicted with HIV/AIDS, including the care or counseling of their families and dependants in this regard.
- (e) The provision of blood transfusion, organ donor or similar services.
- (f) The provision of primary health care education, sex education or family planning.

## 3. Land and Housing

- (a) The development, construction, upgrading, conversion or procurement of housing units for the benefit of poor and needy persons.
- (b) The development, servicing, upgrading or procurement of stands, or the provision of building materials, for purposes of the activities contemplated in subparagraph (a).
- (c) The provision of residential care for retired persons, where more than 90 per cent of the persons to whom the residential care is provided are over the age of 60 and regular meals and nursing services are provided by the organisation carrying on such activity.
- (d) Building and equipping of community centres, clinics, sport facilities or crèches or other facilities of a similar nature for the benefit of the poor and needy.
- (e) The promotion, facilitation and support of access to land and use of land, housing and infrastructural development for promoting official land reform programmes.

(f) Granting of loans for purposes of subparagraph (a) or (b) subject to such conditions as may be prescribed by the Minister by way of regulation.

(g) The protection, enforcement or improvement of the rights of poor and needy tenants, labour tenants or occupiers, to use or occupy land or housing.

### 4. Education and Development

(a) The provision of education by a “school” as defined in the South African Schools Act, 1996, (Act No. 84 of 1996).

(b) The provision of “higher education” by a “higher education institution” as defined in terms of the Higher Education Act, 1997, (Act No. 101 of 1997).

(c) “Adult basic education and training”, as defined in the Adult Basic Education and Training Act, 2000, (Act No. 52 of 2000), including literacy and numeracy education.

(d) “Further education and training” provided by a “public further education and training institution” as defined in the Further Education and Training Act 1998, (Act No. 98 of 1998).

(e) Training for unemployed persons with the purpose of enabling them to obtain employment.

(f) The training or education of persons with a severe physical or mental disability.

(g) The provision of bridging courses to enable educationally disadvantaged persons to enter a higher education institution as envisaged in subparagraph (b).

(h) The provision of educare or early childhood development services for pre-school children.

(i) Training of persons employed in the national, provincial and local spheres of government, for purposes of capacity building in those spheres of government.

(j) The provision of school buildings or equipment for public schools and educational institutions engaged in public benefit activities contemplated in subparagraphs (a) to (h).

(k) Career guidance and counseling services provided to persons for purposes of attending any school or higher education institution as envisaged in subparagraphs (a) and (b).

(l) The provision of hostel accommodation to students of a public benefit organisation contemplated in section 30 or an institution, board or body contemplated in section 10(1)(cA)(i), carrying on activities envisaged in subparagraphs (a) to (g).

(m) Programmes addressing needs in education provision, learning, teaching, training, curriculum support, governance, whole school development, safety and security at schools, pre-schools or educational institutions as envisaged in subparagraphs (a) to (h).

(n) Educational enrichment, academic support, supplementary tuition or outreach programmes for the poor and needy.

(o) The provision of scholarships, bursaries and awards for study, research and teaching on such conditions as may be prescribed by the Minister by way of regulation in the Gazette.

### 5. Religion, Belief or Philosophy

(a) The promotion or practice of religion which encompasses acts of worship, witness, teaching and community service based on a belief in a deity.

(b) The promotion and/or practice of a belief.

(c) The promotion of, or engaging in, philosophical activities.

### 6. Cultural

(a) The advancement, promotion or preservation of the arts, culture or customs.

(b) The promotion, establishment, protection, preservation or maintenance of areas, collections or buildings of historical or cultural interest, national monuments, national heritage sites, museums, including art galleries, archives and libraries.

(c) The provision of youth leadership or development programmes.

### 7. Conservation, Environment and Animal Welfare

(a) Engaging in the conservation, rehabilitation or protection of the natural environment, including flora, fauna or the biosphere.

(b) The care of animals, including the rehabilitation, or prevention of the ill-treatment of animals.

(c) The promotion of, and education and training programmes relating to, environmental awareness, greening, clean-up or sustainable development projects.

(d) The establishment and management of a transfrontier area, involving two or more countries, which—

(i) is or will fall under a unified or coordinated system of management without compromising national

sovereignty; and

- (ii) has been established with the explicit purpose of supporting the conservation of biological diversity, job creation, free movement of animals and tourists across the international boundaries within the peace park, and the building of peace and understanding between the nations concerned.

### 8. Research and consumer rights

- (a) Research including agricultural, economic, educational, industrial, medical, political, social, scientific and technological research.
- (b) The protection and promotion of consumer rights and the improvement of control and quality with regard to products or services.

### 9. Sport

The administration, development, co-ordination or promotion of sport or recreation in which the participants take part on a non-professional basis as a pastime.

### 10. Providing of funds, assets or other resources

The provision of—

- (a) funds, assets, services or other resources by way of donation;
- (b) assets or other resources by way of sale for a consideration not exceeding the direct cost to the organisation providing the assets or resources;
- (c) funds by way of loan at no charge; or
- (d) assets by way of lease for an annual consideration not exceeding the direct cost to the organisation providing the asset divided by the total useful life of the asset, to any—
  - (i) any public benefit organisation which has been approved in terms of section 30;
  - (ii) any institution, board or body contemplated in section 10(1)(cA)(i), which conducts one or more public benefit activities in this part (other than this paragraph);
  - (iii) any association of persons carrying on one or more public benefit activity contemplated in this part (other than this paragraph), in the Republic; or
  - (iv) any department of state or administration in the national or provincial or local sphere of government of the Republic, contemplated in section 10(1)(a) or (b)."

### 11. General

- (a) The provision of support services to, or promotion of the common interests of public benefit organisations contemplated in section 30 or institutions, boards or bodies contemplated in section 10(1)(cA)(i), which conduct one or more public benefit activities contemplated in this part.
- (b) The hosting of any international event approved by the Minister for purposes of these regulations, having regard to—
  - (i) the foreign participation in that event; and
  - (ii) the economic impact that event may have on the country as a whole.