



sport & recreation

Department:
Sport and Recreation South Africa
REPUBLIC OF SOUTH AFRICA

**NATIONAL SPORT AND RECREATION
FINANCIAL AND NON-FINANCIAL
SUPPORT POLICY**

ISSUING DIRECTORATE: Sport and Recreation Service Providers

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1. POLICY ISSUE

- 1.1. South Africa is a developmental country with limited resources. The country needs to consolidate its resources and use them efficiently in order to achieve these developmental objectives. As a legislative mandate, Sport and Recreation South Africa (SRSA) has an ongoing commitment to the development of sport and recreation activities in the country. To facilitate the aforementioned, both financial and non-financial support is provided to its clients through this "Sport and Recreation Financial and Non-Financial Support Policy". This is done with a view to develop and transform the sport and recreation sector.
- 1.2. SRSA also coordinates relationships, services and activities between national federations, the Confederation, other Sport and Recreation Non Profit Institutions in the sector, the Local Government, Provincial Governments, other National Departments and agencies with the aim of ensuring a streamlined and integrated approach to the support, development and administration of sport and recreation in the country in order to address the past imbalances.

2. RATIONALE FOR THE POLICY

- 2.1 It has been the experience of SRSA over the past years that the resources made available to sport and or recreation bodies were in most cases not allocated and utilized to effectively address the priorities of the sector.
- 2.2 This was due to factors such as:-
- (a) Ambiguous categories of funding.
 - (b) Unclear milestones and indicators.
 - (c) Funding not guided by the National Sport and Recreation Plan
 - (d) Funding policy objectives not aligned to the department's strategic plan.
 - (e) Reporting system not standardized.
- 2.3 The above identified weaknesses in the funding policy led to different interpretations by sport and or recreation bodies of what the funding could

be used for. As there are no clearly defined indicators, it was difficult to measure the Policy outputs to assess if the policy is implemented as planned or evaluate the impact thereof.

2.4 The other fundamental weakness has been lack of support or minimal support provided to recreation bodies. The Policy therefore introduces reforms aimed at addressing these fundamental deficiencies.

3. LEGISLATIVE MANDATE

3.1 The Financial and Non-Financial Support Policy is guided by the following legislative frameworks:

- a) National Sport and Recreation Act (Act No. 18 of 2007, as amended)
- b) White Paper on sport and recreation
- c) National Sport and Recreation Plan (NSRP)
- d) Public Finance Management Act, 1999 (Act No. 1 of 1999)
- e) National Treasury Regulations
- f) National Development Plan (NDP)
- g) Constitution of the Republic of South Africa

4. POLICY STAKEHOLDERS

4.1 For the purpose of this National Sport and Recreation Financial and Non-Financial Support Policy the following entities are regarded as the clients of SRSA:

- a) The macro body or Confederation, namely South African Sports Confederation and Olympic Committee (SASCOC) as envisioned in the National Sport and Recreation Amendment Act
- b) Public entities administered by SRSA
- c) Sport and Recreation bodies recognized by SRSA
- d) Non Profit Organisations / Institutions (NPOs) / (NPIs) recognized by SRSA

5. POLICY OBJECTIVES AND PRINCIPLES

5.1 Policy Objectives

- a) To increase the opportunities to participate in Sport and Recreation activities for all South Africans inclusive of people from previously disadvantaged groups [rural, women, black and people with a disability].
- b) To facilitate the broadening of participation in schools, clubs, as well as in the communities.
- c) To provide an enabling environment in order to create a successful athlete development pathway as guided by the Long Term Participant document and the South African Sport For Life Framework.
- d) To support the training of coaches, administrators, athletes and technical officiating officials.
- e) To support transformation related initiatives of the sport and or recreation bodies as prescribed by the Audit Status Report, as well as its recommendations.
- f) To provide non-financial support to sport and or recreation bodies in terms of various services offered by Government
- g) To enable Sport and or Recreation Bodies to uphold administrative and governance principles as prescribed in the Transformation Charter.

5.2 Policy Principles

- a) Improve the historical inequities by ensuring that all South Africans inclusive of people from previously disadvantaged groups are provided with equitable access to sporting activities.
- b) Increase the number of participants within schools and clubs in communities in sport and recreation activities.
- c) Increase the number of athletes reaching elite high performance levels after entering the sport system.
- d) Increase the number of coaches, administrators, athletes and technical officiating officials trained.

- e) Increase the number of National Federations that implement the findings and recommendations presented in the Annual Transformation Audit Status Report.
- f) Increase the number of Sporting Codes international events hosted by South Africa.
- g) Increase the number of National Federations that meet prescribed transformation targets.

6. SCOPE OF APPLICATION

- a) Financial Support to Sport and or Recreation bodies shall be divided into two tiers, namely; **Specified Administrative and Conditional tiers.**

6.1 Specified Administrative Funding Tier

- 6.1.1 The specified administrative funding tier is aimed at assisting the recipient organisation with its administrative costs.
- 6.1.2 Funding under this tier will be spent on specified administrative expenses, and according to the budget as approved by SRSA.
- 6.1.3 SRSA may however identify sport or recreation bodies that have reasonably high revenue generating capacity to which funds for administration costs would not be allocated.
- 6.1.4 The following are line items that will be considered for approval under the specified administrative funding tier:
 - a) Stationery and printing
 - b) Telephone, fax, postage expenses and couriers services
 - c) Traveling expenses
 - d) Venues and facilities
 - e) Accommodation
 - f) Meals and refreshments
 - g) Hiring and or purchasing of office equipment
 - h) Affiliation fees to recognized national, continental and international institutions
 - i) Accounting and audit fees

- j) Administrative and Human Resources expenses that may be identified and approved in writing by SRSA

6.2 Conditional Funding Tier

6.2.1 This Conditional funding tier will be conditional upon the recipient's achievement or demonstration of progress towards the achievement of the sport and recreation sector's objectives.

6.2.2 In order to be considered for the conditional financial and non-financial support from SRSA, the Sport and Recreation Body must show progress through its programmes and projects delivered in addressing the six dimensions of the Transformation Charter.

6.2.3 The six dimensions of the Transformation Charter are:

- a) Access to Infrastructure and Participation Opportunities Dimension
- b) A Human Resource Skill and Capability Development Dimension
- c) Demographic Profile Dimension (on and off the playing field)
- d) A Performance Dimension
- e) Good Governance Dimension
- f) Organisational Structure and Operations Dimension

6.2.4 More detailed information on the six dimensions are contained in the Transformation Charter.

7. FUNDING ALLOCATION

7.1 Funds shall be allocated to sport and or recreation bodies on an annual basis with due consideration of the following;

- a) Available funds as appropriated for Non Profit Institutions
- b) Priorities as determined by the Department guided by the National Sport and Recreation Plan (NSRP)
- c) Prevailing funding pressures linked to the Olympic Cycle
- d) Historical performance of the organization, contribution to Government Priorities and their categorization status

8. POLICY STATEMENT

- a) National Federations that have been prioritised by SRSA, as directed by the NSRP (per the prioritisation document), are those that have the

potential to offer participation opportunities to large segments of the population and those with the best chance of international success for every Rand expended will receive priority financial and non-financial support.

- b) In addition, those National Federations that achieve a positive transformation status, as audited by the Eminent Persons Group (EPG), will receive priority financial and non-financial support.

9. COMPLIANCE REQUIREMENTS

9.1 Sport and Recreation bodies receiving support from SRSA must:

- a) Submit a business plan to SRSA at the beginning each financial year.
- b) Submit a list of names and addresses of office bearers and annually.
- c) Keep an updated record of registered members at provincial, regional, district and local bodies for submission to SRSA annually.
- d) Sign a Service Level Agreement with SRSA.
- e) Submit Audited Financial Statements within six (6) months after closing of the accounts for the financial year of the sport and or recreation body for which support has been granted (no copies of financial statements will be accepted).
- f) Financial support from SRSA must be clearly reflected in the annual financial statements income and expenditure records.
- g) The funds from SRSA must always be used as per the agreement and the business plan signed between the Sport and Recreation Body and SRSA.
- h) Submit project(s) reports quarterly to SRSA in accordance with the reporting schedule and template as outlined in the Service Level Agreement.

Further terms:

- a) The Department may appoint an auditing firm to verify and audit the books of the sport or recreation body as and when the need is identified.
- b) If it appears that one or more of the above-mentioned conditions have not been complied with, SRSA may immediately withhold all further

funding, and if necessary, demand a refund of the full amount already paid out, or portion thereof.

- c) Funds will be deposited directly to the account of the sport and recreation.

10. POLICY EXCLUSIONS

10.1 Funding is not available to;

- a) Pay salaries, bonuses, commissions, and or remuneration for elected executive members unless with written approval from Sport and Recreation South Africa.
- b) Commercial and or profit making institutions.
- c) Any sport and or recreation body that provide services or programmes which unfairly exclude participants in a manner that is not in line with Constitution of the Republic of South Africa.
- d) Any sport and or recreation body that is not fully established at Provincial, District or Metropolitan and local level. However special dispensation may be accorded to certain institutions on basis of their programmes, activities and or resources requirements.
- e) Any sport and or recreation body that has no action plan on transformation and development.

11. WITHDRAWAL AND OR SUSPENSION OF FINANCIAL SUPPORT

11.1 Financial support may be withdrawn or suspended if;

- a) A sport and or recreation body is placed under administration.
- b) The membership of a sport and or recreation body is suspended terminated by the SASCOG.
- c) The recognition status of a sport and or recreation body is withdrawn.
- d) A sport and or recreation body fails to resolve a dispute which poses a risk in terms of the financial support provided by the Department.

12. INDIRECT FINANCIAL SUPPORT

- a) Where meritorious and feasible indirect financial support shall be afforded to sport and or recreation bodies to ensure their sustainability and proper governance.

- b) This support may be provided to institutions that meet the funding requirements as well as those under administration or suspended.

13. SUPPORT TO POTENTIAL SPORT AND OR RECREATION BODIES

- a) Organizations that do not immediately qualify for funding based on the conditions set in this Policy but demonstrate potential to do so shall be considered for non-financial support and or indirect financial to enable them to be properly constituted and established.
- b) This support shall be rendered provided that the organization commits to clear targets and time frames within which they attain the set objectives.

14. NON FINANCIAL SUPPORT

14.1. Government's support is not only limited to the provision of financial resources. Government also provides non-financial support to sport and or recreation bodies. The non-financial support may include but limited to the following;

14.1.1 Guidance and support on administrative matters.

14.1.2 Obtaining approval by Cabinet for bidding and hosting of international events

14.1.3 Logistical support for hosting of international events

14.1.4 The Department shall coordinate support for sport and or recreation bodies where feasible and permissible on services rendered by other Government Departments and Agencies. These may include but are not limited to the following;

- a) International travel
- b) Immigration
- c) Customs, International donations and importation of goods and equipment
- d) Safety and Security
- e) Organisations to be provided non-financial support, all the above conditions mentioned for financial support will apply.



15. FUNDING OF SPECIALIZED SPORT AND OR RECREATION BODIES, SPECIAL REQUESTS

15.1 Specialised Sport and or Recreation Bodies

- a) Funding shall be provided to sport and or recreation bodies such as the Confederation as contemplated in the National Sport and Recreation Act.
- b) The provision of funds shall be in line with the responsibilities of the Confederation articulated in the Act and the National Sport and Recreation Plan.
- c) Funding shall also be made available to sport and or recreation bodies established to fulfil special purpose or purposes in the sector as determined by the Department from time to time.
- d) These institutions shall include but would not be limited to bodies such as; The Sport Trust, The New LoveLife, Sport Coaches Outreach and Foundations as well as Specialized Academies.

15.2 Special Requests

- a) The general guiding principle is that SRSA does not fund clubs or individuals but each case will be treated on its merits.

15.3 Public Entities

- b) Funding shall be provided to Public Entities established by an Act of Parliament. The funds shall be disbursed upon fulfilment by the Public Entity of all compliance requirements as set by the National Treasury.

16. PROCESSING GRANTS OR FUNDS

16.1 General Provisions

- a) The Department's financial year is from 01 April to 31 March.
- b) Funding allocated must be utilized in full within a financial year in which it is transferred to the sport and or recreation body.

- c) In the event an organization anticipates that it would not be able to utilize all the funds before the end of March, the organization may request for an extension in writing from Department.
- d) The Department may at its discretion approve the request for extension.
- e) Organisations are encouraged to align their financial years with SRSA's financial year where possible.
- f) Organisations would be expected to submit business plans on a prescribed template with indicative budgets detailing their programmes and projects by the first month of the new financial year.
- g) All projects identified must address and be aligned to strategic objectives of SRSA, the National Sport and Recreation Plan as well as any other shortcoming that may be identified through any process undertaken by the Department, its partners or agencies.
- h) The Business Plan must be signed by the National Federation's authorized person.
- i) The Business Plan must be TYPED. No handwritten document will be accepted.
- j) Once the Business Plan and other documents are received, the business plan and projects indicated will be adjudicated by SRSA.
- k) Organisations will be provided with feedback once their business plan has been adjudicated.
- l) Upon all documentation finalized and correct, SRSA will send the Service Level Agreement to the organisation.
- m) If one or more of the mentioned conditions have not been complied with, SRSA may immediately withhold all further support and, if necessary, demand a refund of the full amount already paid out, or portion thereof.
- n) SRSA reserves the right to have assessments carried out by an authorised person where a project is being run with support from SRSA.
- o) A Service Level Agreement (SLA) must be signed by the federation for each support provided.



16.2 Mandatory Documents

- a) Audited Financial Statement. In case of newly formed sport and or recreation bodies a Financial Report or Statements of Accounts prepared and signed off by a professional and registered Accountant.
- b) Founding documents; constitution, articles of incorporation or any document applicable to Non Profit Institutions
- c) Certificate authorizing the delegated signatory
- d) Banking details as confirmed in writing by the bank with a stamp
- e) Annual Report
- f) Other administrative documents issued by the Department to improve management of funds

17. ASSESSMENTS OF FUNDING OR GRANT REQUESTS

17.1 In assessing applications the past and current performance of the sport and or recreation body in relation to the following will be considered;

- a) The impact of its projects / programmes within communities, especially rural and disadvantaged communities.
- b) Accessibility of its projects / programmes to the broader community.
- c) The contribution that projects / programmes make to the socio-economic upliftment of the community.
- d) Growth and improvement of the organization
- e) Progress towards attaining self-sufficiency.
- f) Furtherance of the objectives of SRSA and Government as stated in the NSRP and all other legislative frameworks, as well as including the National Development Plan.
- g) Progress in terms of addressing the findings and recommendations of the Eminent Persons Group (EPG) on Transformation in Sport Report.

18. REPORTING

- a) All organizations will be expected to report to the Department in writing for all projects and programmes supported.
- b) Organisations are obliged to submit program or projects reports with supporting documentations or materials as indicated by the Department.

- c) The reports shall be submitted at least 15 days after the end of every quarter. The close-out report will be expected for each special projects as identified by the Department and agreed upon with the sport and or recreation body in writing.

19. MONITORING

- a) The Department reserves the right to have inspections carried out by an authorised person where a project or programmes is supported by Department.
- b) Organisations must inform the Department timeously [minimum a period of 21 days] on changes of project or programme dates approved.

20. POLICY REVIEW

- a) The policy every three years or as and when a need is identified.
- b) The review would be based on the observations and feedback gathered during its implementation.

21. CONCLUSION

- a) Organisations that show improvement in areas that are Government priorities will progressively gain more support, both financial and non-financial. Where it will be financial, this would be guided by the availability of resources.
- b) The Department cannot achieve its objectives without the assistance of its implementation agencies. This policy therefore seeks to arrive at a functional model of financial and non-financial support to ensure that the objectives as set out in the National Sport and Recreation Plan are achieved.

Date of Implementation



MR M.E. MOEMI
DIRECTOR GENERAL

28/03/2017

DATE