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Department:
Sport, Arts and Culture
REPUBLIC OF SOUTH AFRICA



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National Heritage Council
SOUTH AFRICA

an agency of the
Department of Sport, Arts and Culture

PUBLIC FUNDING POLICY

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Approvals

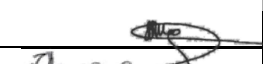

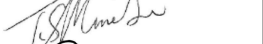


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1 DEFINITIONS AND ACRONYMS

Applicant	Applicant for Funding in terms of this Policy.
Beneficiary	An Applicant that has been awarded Funding in terms of this Policy.
Council	Council of the National Heritage Council.
CEO	Chief Executive Officer.
Evaluation Panel	A panel established in terms of clause 11 of this Policy.
MEXCO	Management Executive Committee.
NHC	National Heritage Council.
NHC Act	National Heritage Council Act 11 of 1999.
Funding	Money provided by the government for a particular purpose.
Copyright	Legal ownership of intellectual property.
Governance Structures	Council, Council Committees and any other Committee established in terms of this Policy.
Funding Adjudication Panel	A panel established in terms of clause 13 of this Policy to adjudicate funding applications and allocate funds to qualifying projects.
MTSF	Medium Term Strategic Framework.
Programmes	Internal initiatives conceptualised and planned for by the NHC as informed by the MTSF and implemented through the NHC's Annual Performance Planning mechanisms.
Projects	National heritage activities of a definite nature in terms of time and outcome and in respect of which the NHC has contributed Funding.
Review Committee	A committee set up to review work done by the Evaluation Panel and provide responses to queries from applicants on the adjudication outcomes in terms of clause 16 of this Policy.
SOP	Standard Operating Procedures.
Strategic Partnership Programmes	Collaboration between the NHC and other parties in respect of projects of common interest where the respective parties provide complimentary resources for the successful execution of the programme, such as financial resources, skills and expertise and any other complimentary contributions.

2 POLICY STATEMENT

The NHC is established by the National Heritage Act 11 of 1999 to, amongst others, develop, promote and coordinate heritage management and coordinate activities in relation to heritage management.

Funding is one of the central factors for successful empowerment, engagement and transformation of the previously marginalized heritage sector. To discharge its mandate, the NHC is empowered by, amongst others, section 10(d) of the NHC Act to award funding to qualifying persons, organisations or institutions in order to promote and develop national heritage activities and resources.

The NHC is a schedule 3A public entity and is obliged to follow good governance principles and applicable statutory prescripts with regard to disbursement of public funds and deployment of public resources.

This Policy in its design, development, implementation and review is guided and underpinned by the NHC's strategic objectives, intent, values, code of conduct, and applicable legislation.

3 INTERPRETATION AND APPLICATION

3.1. This Policy has been developed to provide guidance to NHC employees and all NHC stakeholders regarding the principles, parameters, rules and procedures that underpin NHC Funding.

3.2. Should any aspect of this Policy be in conflict with the applicable legal framework, the provisions of the legal framework shall take precedence.

4 SCOPE

4.1. This Policy is issued under the authority of the Council of the NHC and is applicable to all aspects of NHC Funding as listed in item 8 of this Policy.

- 4.2. The Policy applies without exception to all NHC employees and other persons involved in any aspect of NHC Funding, irrespective of the nature and capacity of their involvement.
- 4.3. Consistent adherence to and application of this Policy is a minimum requirement.

5 APPLICABLE REGULATORY FRAMEWORK

The Regulatory Framework consists of the following: -

- 5.1. Constitution of the Republic of South Africa, 1996 (“the Constitution”);
- 5.2. National Heritage Council Act 11 of 1999; and
- 5.3. Public Finance Management Act and other applicable Regulations.

6 PURPOSE

The purpose of this Policy is to: -

- 6.1. provide a clear framework that can be applied to all NHC funding mechanisms that will enable allocation and disbursement of funds that would promote national heritage activities;
- 6.2. guide prospective applicants and other stakeholders about the types of projects that are funded with NHC Funding;
- 6.3. outline the principles that guide awarding of funding and inform all stakeholders how projects can be funded in the heritage sector, to enable their participation;
- 6.4. ensure that applicants and prospective applicants are aware of the terms and conditions that may attach to funding prior to lodging applications and contracting with the NHC in respect of projects.

- 6.5. ensure that projects that have been awarded funding are monitored and their performance properly measured against agreed criteria and that the intended outcomes are achieved with each funded project;
- 6.6. ensure that in providing funding, the NHC acts in a manner that is transparent, fair and that achieves value for money spent; and
- 6.7. ensure non-discriminatory and non-arbitrary practices in the identification of Projects to be awarded Funding, and in accordance with the regulatory framework.

7 FUNDING OBJECTIVES

For each funded project, the following minimum standards must be met: -

- 7.1. fairness, equity, transparency, competitiveness, cost effectiveness;
- 7.2. impact and relevance;
- 7.3. alignment with the NHC's mandate; and
- 7.4. compliance with the regulatory framework.

8 NHC FUNDING MODEL

8.1 NHC Funding is achieved through: -

8.1.1 NHC funded projects; and

8.1.1 NHC Funding Programmes.

8.2 NHC Funded Projects

These are community based and initiated projects which are funded by the NHC pursuant to public calls by the NHC inviting interested and qualifying applicants to make submissions for financial support for such projects.

Guidelines and/or SOPs are in place to inform implementation.

8.3 NHC Funding Programmes

These are programmes/projects aligned to the NHC's planned activities targets and budgeted for annually and, where necessary, partnerships are sought to complement budgeted costs around their implementation. Guidelines and/or SOPs are in place to inform implementation.

9 FUNDING PRINCIPLES

9.1 Projects must be initiated and to be implemented in South Africa and must support the NHC's strategic initiatives including the National Development Plan (NDP), with preference given to projects that respond to the government's national imperatives and are heritage focused as listed below;

9.2 Research projects that commission work required on the project that is to be done outside the borders of the republic of SA, must be costed on the project plan budget;

9.3 Depending on the NHC' mandate, NHC funding may be biased towards the following primary areas of focus: -

9.3.1 Education & Awareness;

9.3.2 Nation Building;

9.3.3 Transfer of heritage skill;

9.3.4 Capacity Building;

9.3.5 Job Creation;

9.3.6 Sustainable Impact;

9.3.7 Creation of partnerships; and

9.3.8 Equity and redress of historic imbalances.

9.4 The NHC supports the following three categories of heritage: -

9.4.1 Living Heritage:

9.4.2 Cultural and Natural Heritage; and

9.4.3 Education and Training.

10 CONDITIONS FOR FUNDING

10.1 Eligibility

The following may apply for Funding: -

10.1.1 Non-profit Companies as defined in the Companies Act 71 of 2008) such as: -

10.1.1.1 Non-profit Companies (NPCs);

10.1.1.2 Non-profit Organisations (NPOs);

10.1.1.3 Non-profit Organisations (NGOs);

10.1.1.4 Public Benefit Organisations (PBOs);

10.1.1.5 Community Based Organisations (CBOs) registered with the Department of Social Development;

10.1.1.6 Educational Institutions participating in heritage matters;

10.1.1.7 Community Trusts; and

10.1.1.8 Section 21 Companies not for gain registered in terms of the Companies Act 61 of 1973.

10.2 Excluded Business Formations

10.2.1 The following business formations are excluded for Funding:-
Profit making companies such as those entities that had been registered in terms of the Companies Act 61 of 1973 that continue to exist under the new Companies Act 71 of 2008 such as: -

- 10.2.1.1 Close Corporation (CCs);
- 10.2.1.2 Public Companies (Pty), Private Companies (Pty) Ltd, Section 21 companies for gain;
- 10.2.1.3 Family Trusts;
- 10.2.1.4 Personal Liability Companies (Inc.);
- 10.2.1.5 Cooperatives (Co-op);
- 10.2.1.6 Government entities i.e. Government Departments including Municipalities;
- 10.2.1.7 Organisations/entities receiving funds from the Department of Sport, Arts & Culture;
- 10.2.1.8 Employees of the NHC and their immediate families;
- 10.2.1.9 Members of the NHC Governance structures (e.g. NHC Council and its Committees);
- 10.2.1.10 NHC Funding Committees members;
- 10.2.1.11 Active projects: these are projects currently funded by the NHC and that still must submit closing report(s), and end products.

10.2.2 A cooling off period of 36 (thirty-six) months will be subjected to the following: -

10.2.2.1 Funded organisations after closure of the current Project; ,

10.2.2.2 Members of the NHC Governance Structures after their term of office ends; and

10.2.2.3 NHC employees after resignation or dismissal;

10.3 The following is excluded from the NHC funding: -

10.3.1 Salaries, excluding professional fees for services rendered on the project;

10.3.2 Purchasing equipment;

10.3.3 Buildings, memorials and maintenance thereof;

10.3.4 Overseas travelling;

10.3.5 Overheads such as: -

10.3.5.1 Personal costs;

10.3.5.2 Electricity and office rental; and

10.3.5.3 Operating costs.

11 THE EVALUATION PANEL

11.1. The Evaluation Panel will evaluate applications for administrative compliance and relevance to heritage.

11.2 Membership of the Evaluation Panel is made up of employees of the NHC and comprises delegated NHC officials at and non-management level,

appointed by the Accounting Officer during the public funding advertisement period.

11.3 Once evaluated for administrative compliance and relevance, funding proposals are recommended to the Adjudication Panel.

11.4 The Evaluation Panel will prepare a schedule of recommended projects to the Funding Adjudication Panel.

11.5 The duration of the process of evaluation of applications by the Evaluation Panel will be informed by the number of applications received during the funding cycle.

11.6 Terms of Reference for the Evaluation Panel

The main function of the Evaluation Panel is to verify if proposals meet all administrative and compliance requirements and are heritage focused to qualify for adjudication.

12. THE REVIEW PANEL

12.1 The Review Panel reviews the work done by the Evaluation Panel.

12.2 Membership of the Evaluation Panel is made up of employees at management level, appointed by the Accounting Officer during the public funding window.

12.3 The Review Panel recommends proposals to the Funding Adjudication Panel.

12.4 Terms of Reference for the Review Panel

12.4.1 The main function of the Review Panel is to review and verify work done by the Evaluation Panel.

12.4.2 Should the beneficiaries decline funding after the Adjudication

Panel has made an award or return funds because they could not implement the project, the Review Panel will reallocate funds to other qualifying beneficiaries recommended to the Adjudication Panel.

12.4.3 The Review Panel responds to queries from applicants on funding outcomes during a funding cycle.

13 THE FUNDING ADJUDICATION PANEL

- 13.1 The Funding Adjudication Panel is an independent structure reporting to MEXCO.
- 13.2 The Funding Adjudication Panel is appointed to assist with adjudication of applications and make funding allocations and to recommend qualifying projects MEXCO for endorsement and approval.
- 13.3 The Funding Adjudication Panel will consist of 5 (five) members selected through a public process, to serve for a period of 3 (three) years. A public call for the nomination of committee members shall be placed in accessible print and electronic media.
- 13.4 The selected members shall be subjected to a vetting process and approved by MEXCO.
- 13.5 Criteria for selecting Funding Adjudication Panel Members
 - 13.5.1** Nominations from individuals within the heritage and grant making sectors with the following expertise will be considered:
 - 13.5.1.1 Researchers;
 - 13.5.1.2 Funding/grant making knowledge;
 - 13.5.1.3 Language specialists;
 - 13.5.1.4 Publishers;
 - 13.5.1.5 Curators;
 - 13.5.1.6 Project evaluators and assessors;

- 13.5.1.7 Heritage and IKS practitioners; and
- 13.5.1.8 Any other relevant qualifications and expertise that the NHC may consider relevant from time to time.

13.5.2 Nominations must be submitted in writing and, as a minimum, contain the following: -

- 13.5.2.1 A detailed Curriculum Vitae (CV);
- 13.5.2.2 Certified copy of Identity Documents (IDs) of both the nominee and the nominator;
- 13.5.2.3 Motivation for nomination written and signed by the nominator and should include the following:
 - 13.5.2.3.1 An explanation for the suitability of the nomination;
 - 13.5.2.3.2 The nominee's agreement to the nomination and declaration of whether or not he/she is qualified in one of the expert areas;

Forms for qualifications and declarations of interest must be completed and are obtainable from the NHC's website: <https://www.nhc.org.za>

13.5.3 In addition to the above, the NHC may require any other information it deems necessary based on its operational needs, the nature of the project and any other conditions that may attach to the funding.

13.6 Funding Adjudication Panel's Terms of Reference

13.6.1 The following shall be the terms of reference of the Funding Adjudication Panel: -

- 13.6.1.1** Considering the schedule of recommended

applications from the Evaluation and Review Panels;

13.6.1.2 Adjudicating public applications for Funding;

13.6.1.3 Attending sittings of the Panel as and when required;

13.6.1.4 Providing written reasons in respect of each project that does not qualify or is rejected for funding;

13.6.1.5 The Adjudication Panel may identify more qualifying beneficiaries than the approved number stipulated in the funding target in cases where some beneficiaries decline or cannot implement the projects;

13.6.1.6 Preparing an adjudication report on all assessed applications and submitting the report to MEXCO;

13.6.1.7 Dealing with any matter regarding funding that may be referred to it by MEXCO; and

13.6.1.8 Participating in funding related matters as and when invited by MEXCO.

13.7 Funding Adjudication Panel Remuneration

13.7.1 Members of the Funding Adjudication Panel will be remunerated in accordance with the NHC's payment structure as informed by the National Treasury prescripts in relation to fees and remuneration for members serving in statutory committees and commissions, as

reviewed from time to time.

13.7.2 Their payment will cover the number of days taken to review applications as individuals prior to their sitting as a team and the joint sitting will be paid separately.

13.7.3 Panel members need to dedicate between 10 to 15 days for each funding call (individual reviews and adjudication sitting).

13.7.4 All activities are tracked through the Grant Management System.

14 APPLICATION PROCEDURE AND PROJECT COORDINATION

14.1 Funding shall be done in a manner that embraces principles of transparency, openness, access and fairness.

14.2 The NHC has put in place an SOP to ensure consistency in contracting and management of projects, from issuing invitations for interested parties to apply for funding to awarding and post funding management of projects, as summarized below.

14.3 Advertising

14.3.1 Each financial year, during the first quarter, the NHC issues calls for interested parties to submit applications for Funding. The NHC may also publish ad hoc calls for applications for funding to support vulnerable community projects through its Ubuntu Programme.

14.3.2 Calls for applications for Funding are placed in a wide range of media platforms, which will always include the NHC's website.

14.3.3 The advert calling for applications will stipulate the window period within which applicants may respond to the call for funding, after which no applications will be entertained.

14.3.4 A call for funding may be cancelled should this be necessary based on the NHC's operational requirements and other unforeseen circumstances.

14.3.5 The NHC may further extend the window period once, after which no further extensions may be made and the call for applications will be closed.

15 Evaluation and Adjudication

15.1 All recommended project proposals will be adjudicated by the Funding Adjudication Panel.

15.2 The Funding Adjudication Panel will keep detailed minutes of discussions and evaluations of applications, which information must always include reasons for rejection of each application at all the stages of its assessment.

15.3 The Funding Adjudication Panel shall prepare a report to MEXCO for approval of projects that should be awarded Funding.

15.4 Notification of Intention to Award

15.4.1 Successful applicants will be issued notification letters with an acceptance of offer form which they must complete and sign to confirm acceptance of Funding.

15.4.2 A Notice of Intention to Award does not constitute a contract between the NHC and the applicant, but an intention by the NHC to award funding to the applicant and only after the NHC and the applicant have both signed the SLA, will there be a binding agreement between the parties.

15.4.3 The applicant is required to confirm their interest in funding within 7 (seven) days of the date of the Notice of Intention to Award, by appending signatures of their authorised personnel in the spaces provided on the Acceptance of Offer Form and returning the signed document to the NHC. This is important

to give the NHC assurance that the Applicant is still interested in Funding and the Applicant's circumstances have not changed, before commencement of contractual arrangements.

15.4.4 The Notification of Intention to Award shall contain as a minimum the following information: -

15.4.4.1 The Project for which the application is awarded funding;

15.4.4.2 The nature of the funding;

15.4.4.3 The value of the NHC's contribution;

15.4.4.4 The conditions applicable to the funding, and that additional conditions may be imposed based on the nature of the project, the Applicant's particular circumstances or any other relevant factors that may be considered;

15.4.4.5 The date by which such information must be submitted;

15.4.4.6 That failure to provide the information by the stipulated date will result in the rejection of their application; and

15.4.4.7 The contact details of the NHC official who will be available to provide assistance as and when requested by the applicant.

15.5 Contracting

- 15.5.1 Once all the information has been received from the applicant, the NHC will generate a Funding Agreement.
- 15.5.2 The Funding Agreement may contain such suspensive conditions as the NHC may in its discretion deem necessary, based on the nature of the project, the circumstances of the applicant, the funding requirements or any other relevant information.
- 15.5.3 The effective date of the Funding Agreement shall be the date determined for the start of the project notwithstanding the signature date of the CEO of NHC.

15.6 Unsuccessful Applicants

- 15.6.1 Applicants who do not receive a notification of award from the NHC, the applicant may consider themselves unsuccessful if they do not hear from the NHC within 90 days from the date of closing of the advert.
- 15.6.2 Unsuccessful applicants will be entitled to any reasonable information they may request regarding their applications, upon request, in line with NHC's PAIA manual. The link to the NHC's PAIA manual is available on the NHC's website <https://www.nhc.org.za>.
- 15.6.3 Information submitted by Applicants is confidential subject to the applicable legal principles and provisions relating to confidentiality and the NHC's POPIA Policy.

16 APPEALS

- 16.1 Unsuccessful applicants may lodge an appeal to the Accounting Officer through written submissions outlining grounds for appeal.
- 16.2 The Accounting Officer shall, after reviewing the processes followed, forward the application for review to the Chairperson of the Review Committee. The application for review, together with the notice of application and any supporting documents shall then be presented to the Review Committee for investigation and adjudication.
- 16.3 The decision of the Review Committee shall be final.

17 INTEGRITY IN RESEARCH AND KEY PRINCIPLES

17.1 Researchers funded by the NHC are expected to adhere to the following research principles: -

17.1.1 Honesty in proposing, performing and reporting on research;

17.1.2 Recognition of prior work;

17.1.3 Disclosure of potential conflicts of interest;

17.1.4 A letter permitting research work/documentary from the affected subject;

17.1.5 Compliance with institutional and/or sponsor requirements;

17.1.6 Protection of human subjects and humane care of animals in the conduct of research;

17.1.7 Expect produced work to be edited and reviewed;

17.1.8 Collegiality in scholarly interactions and sharing of resource.

18 **DECLARATION**

18.1 Employees of the NHC, Council members and any other person directly or indirectly involved in the NHC activities/processes or are custodians of processes with the NHC (guided by the NHC Code of Conduct), must sign a declaration of conflict and/or interest when involved in the funding processes.

18.2 The process dictates that they declare upfront any interest they may have in any application for funding from the NHC and must recuse themselves from any decision-making processes aligned to the application. If they have any interest or are /could potentially be perceived to be placed in a position of conflict.

19 **INTELLECTUAL PROPERTY RIGHTS**

19.1 Copyright in SA is governed by the Copyright Act, 1978 (Act No. 98 of 1978), as amended. The Copyright Act defines the author of the work as the owner of the copyright, unless the person is in employment of the NHC and the work is created during the scope of engagement/project, in which case the NHC holds the copyright;

19.2 It is, however, possible for the copyright holder to contractually assign, in writing, the copyright or part thereof, to one or many people for a specific purpose or a limited period. The assignee then becomes the holder of the copyright and is entitled to various rights and remedies.

19.3 Any work assigned and funded by the NHC becomes the property of the NHC on the basis outlined in the contractual agreement between the NHC and the Applicant.

19.4 All NHC funded Projects will be required to acknowledge the NHC in the funded product i.e., publications, documentaries, exhibitions and Research etc.).

20 ACCESS TO FUNDED PROJECTS

- 20.1 The NHC may require full access to the project which includes access to all records and locations relating to the project.
- 20.2 As may be necessary, the NHC, may in its sole discretion, require interviews with participants of the project and such access may be required to be given to the NHC's strategic partners, donors and members of the media.
- 20.3 NHC will be required to conduct the necessary monitoring and evaluation of the ongoing funding projects to ensure compliance with legislation and the agreed project plan guidelines and deliverables as agreed to in the funding agreement.

19 PROCEDURES FOR AWARENESS AND IMPLEMENTATION

To the extent possible, capacity building workshops and awareness campaigns on NHC Funding shall be held to capacitate potential applicants and during the implementation of successful projects.

20 BREACH OF CONTRACTUAL UNDERTAKINGS

21.1 Beneficiaries for funding will be held to the terms of the funding Agreement and are expected to comply with all their contractual obligations.

21.2 Failure to comply with the Funding agreement may result in the NHC taking any or a combination of any of the following actions, as may be applicable:

20.2.1 Withholding of Funds – Further disbursements are suspended until the breach is corrected.

20.2.2 Repayment Obligation – The beneficiary may be required to repay funds already received (especially if funds were misused or reports not submitted).

20.2.3 Termination of Agreement – The contract may be terminated if the breach is not remedied.

20.2.4 Legal Action – the NHC can pursue recovery of funds through legal means and sometimes claim damages.

20.2.5 Blacklisting/Disqualification – The beneficiary may be barred from applying for future funding.

20.2.6 The matter may be referred to the relevant law enforcement authorities for investigation and possible criminal prosecution.