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PROVINCIAL NOTICE

[No. 55 of 2018]

FREE STATE PROVINCIAL TREASURY

DIVISION OF REVENUE ACT, 2018: ADJUSTED BUDGET ALLOCATIONS FOR DEPARTMENTS IN TERMS OF MUNICIPALITIES

I, EC Rockman, Member of the Executive Council responsible for the Provincial Treasury, hereby publish, in terms of section 30(3)(b) of the Division of Revenue Act, 2018 (Act No. 1 of 2018), the adjusted allocations for Departments as set out below. The initial allocations were published in *Provincial Gazette* No. 126 of 14 March 2018:

TRANSFERS TO MUNICIPALITIES

The below tables relate to the adjustments of funds to be transferred to Municipalities during the 2018/19 financial year:

PROVINCIAL ALLOCATIONS TO MUNICIPALITIES	
LIMITED FINANCIAL SUPPORT TO MUNICIPALITIES: MALUTI A PHOFUNG MUNICIPALITY	
1. Transferring Provincial Department	Department of Cooperative Governance and Traditional Affairs
2. Purpose	To assist Maluti a Phofung facing financial problems to restructure its financial position and organization over the medium term
3. Measurable Outputs	The provision of limited financial assistance to those Municipalities facing critical financial problems.
4. Conditions	<ul style="list-style-type: none"> * Maluti a Phofung municipality acknowledges receipt of the funds as per the prescribed Limited Financial Assistance Return Certificate * Maluti a Phofung municipality include the amount in its Adjustment Budget * Maluti a Phofung municipality reports back on the appropriation of the Limited Financial Assistance and submit supporting documentation in this regard * Maluti a Phofung municipality continuously reports to the Department progress on the matter
5. Allocation criteria	Allocations are based on financial position of Municipalities
6. Monitoring mechanism	<ul style="list-style-type: none"> * Monthly expenditure reports * Monthly progress reports
7. Projected life	12 months
8. Payment Schedule	Payment with regard to financial support will be made according to the conditions of paragraph 4
9. Allocation	R3 million

UNALLOCATED PROVINCIAL ALLOCATIONS TO MUNICIPALITIES LIMITED FINANCIAL AND INFRASTRUCTURE SUPPORT TO MUNICIPALITIES	
1. Transferring Provincial Department	Department of Cooperative Governance and Traditional Affairs
2. Purpose	2.1 To assist medium and small Municipalities experiencing severe financial problems to restructure their financial positions and organizations over the medium term 2.2 To provide funding towards the Municipal Infrastructure Grant to performing municipalities
3. Measurable Outputs	3.1 The provision of limited financial and infrastructure assistance to those Municipalities facing critical financial problems
4. Conditions	4.1 The Local / District Municipality acknowledge receipt of the funds as per the prescribed Limited Financial Assistance Return Certificate 4.2 The Local / District Municipality include the amount in its Adjustment Budget 4.3 The Local / District Municipality reports back on the appropriation of the Limited Financial Assistance and submit supporting documentation in this regard. 4.4 Service providers to be appointed for the compilation of design and tender documentation and implementation of project. 4.5 Contractors appointed by way of open public tenders. 4.6 Payment vouchers submitted to the Department.
5. Allocation criteria	5.1 Allocations are based on financial position of Municipalities 5.2 Allocation are based as emergency situations arise, such as water purification, electrification and revitalisation of VIP toilets
6. Monitoring mechanism	6.1 Monthly financial reports and progress meetings 6.2 Monthly proof of expenditure, monthly progress reports and close out report on completion 6.3 Quarterly MIG meetings
7. Projected life	12 months
8. Payment Schedule	Unallocated
9. Allocation	Correction of Unallocated funds regarding transfers to municipalities already gazetted in 2018/19: * Financial assistance must be increased with R2.000 million * Municipal Infrastructure Grant must be decreased with (R2.000 million)

Free State: Cooperative Governance and Traditional Affairs

Category	District Municipality	Number	Municipality	2018/19 Adjustments R'000
B	DC 19	FS 194	Matlala Phofung	3 000
			Unallocated funds - Financial Assistance	2 000
			Unallocated funds - Municipal Infrastructure Grant	(2 000)
Total				3 000