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## GENERAL NOTICE

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### NOTICE 1620 OF 2009

Department of Trade and Industry

Lotteries Act, 1997

**Direction and Procedure for the Distribution Agencies in relation to distribution of funds in the National Lottery Distribution Trust Fund**

By virtue of the powers vested in me in terms of section 32 (3) of the Lotteries Act, 1997 (Act No. 57 of 1997), and after consultation with the National Lotteries Board and relevant Distributing Agencies, I Dr Rob Davies, Minister of Trade and Industry, hereby give the following directions as to the matters to be taken into account in determining the persons to whom, the purposes for which and the conditions subject to which Distributing Agencies are to allocate any amounts.

Interested persons may submit written comments on the proposed direction and procedure by 05/02/2010 to:

Director-General, Department of Trade and Industry

Private Bag X84

Pretoria

0001

or

77 Meintjies Street

Block B, 1<sup>st</sup> Floor

Sunnyside

Pretoria

Fax No: 012 394 2504

Email: [MMosing@thedti.gov.za](mailto:MMosing@thedti.gov.za)

For Attention: Mpho Mosing

**Dr Rob Davies**

**Minister of Trade and Industry**

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## **Definitions**

In these regulations any word or expression to which a meaning has been assigned in the Act bears the same meaning assigned to it in the Act, unless the context indicates otherwise.

The Act means the Lotteries Act, 1997, (Act No 57 of 1997).

## **PART I**

### **Direction for Distribution Agencies when determining distribution of funds from the National Lottery Distribution Fund**

- (1) In compliance with the direction of the Minister issued in terms of Section 32(3) read with Section 32(4) of the Act, the Distributing Agencies shall take into account the following factors:
  - (a) general development in the Republic, with specific reference to the regional, economic, financial, social and moral interests of the Republic and the enhancement of the standard of living of all the people in the Republic; and
  - (b) provincial and local interests including-
    - (aa) the number of lottery tickets sold in each province;
    - (bb) the population of each province; and
    - (cc) the financial requirements of each province.
- (2) The priorities for distributing the funds must contribute to developmental needs, enhancement of social & moral responsibility, and economic viability of programmes designed to advance rural, under privileged and poor communities.
- (3) Of the total allocation available for distribution by a Distribution Agency at least 50% shall be directed towards the following priority areas:-
  - (a) expansion of home based care services through training and infrastructure development for the aged, the sick, the orphaned and rehabilitation facilities, so as to enhance the standard of living in the rural, underprivileged and poor communities
  - (b) provision of educational facilities designed to enhance literacy through early childhood education, adult literacy, vocational training and mentoring for skills development
  - (c) development of sports and recreational facilities in the rural areas for talent development and increase accessibility to such facilities
  - (d) support for causes designed to protect and promote traditional knowledge and cultural expressions
  - (e) promotional work of arts and craft produced by groups of disabled people and women
  - (f) development and preservation of cultural heritage sites for revenue generation including tourism attraction, and economic viability for the community
  - (g) promote and support entrepreneurial development through training of women and providing necessary infrastructure and facilities for farming projects as a

- primary response to economic development and reduction of unemployment levels.
  - (h) improvement and development of the environment
  - (i) encouragement of ecotourism development
- (5) Subject to subsection (3) a Distribution Agency may publish calls for application of grants for purposes of complying and achieving directions given by the Minister.

## PART II

### Application process and Adjudication Procedures for Distribution Agencies

- (1) A Distribution Agency may receive application or issue a call for application
- (2) National Lotteries Board must provide the administrative support to facilitate processing of application for adjudication, including the implementation of programmes to educate and raise awareness in respect of the grant making process.
- (3) Upon receipt of an application for adjudication a Distribution Agency shall determine whether the application contains all the mandatory documents in the application Form 09/1
- (a) If the application does not include all the mandatory documents, such application will be rejected on the basis that it is an incomplete application and the applicant will be informed accordingly.
  - (b) If the application contains the mandatory documents a Distribution Agency will proceed to assess the application in accordance with the direction of the Minister and requirements in Regulations 3-6 of Regulation Gazette No. 6908.
- (4) When assessing the application a Distribution Agency may at anytime request any additional information or documents, other than mandatory documents in Form 09/1
- (5) A Distribution Agency may decide to make a grant, with or without conditions, or to refuse to make a grant.
- (6) Upon finalisation of the adjudication process, a Distribution Agency will in writing -
- (a) inform the applicant of the outcome of the adjudication;
  - (b) if the application is successful:
    - (i) make an offer of grant and issue a grant agreement which will be open for acceptance for a period of sixty calendar days
    - (ii) if acceptance of the offer and grant agreement is not received within sixty calendar days, a Distribution Agency may withdraw the grant by giving notice to the applicant.
  - (c) If the application is not successful the Distribution Agency must issue reasons thereof.

- (7) A Distribution Agency may approve a grant on condition that:-
- (a) payment of grant be made in parts
  - (b) an inspection be conducted with a positive report or outcome prior to the payment of the grant to the recipient so as to satisfy that the grant will be utilised for purposes for which they are intended and approved; and or
  - (c) inspections be conducted during and/or after utilisation of the grant to satisfy that the grant was utilised for purposes for which it was intended and approved.
- (8) The grant agreement must, in addition to any condition, stipulate the powers of the Minister to prohibit or withdraw a grant, or impose conditions in terms of Section 33 read with Section 32 of the Act.
- (9) If a Distribution Agency approves a grant to an organisation which serves as a conduit for further distribution of the funds to the beneficiaries, in accordance with the purposes of the Act, such organisation shall comply with the procedure and conditions stipulated in this Notice to ensure that such further distribution conforms to the direction of the Minister and the requirements in Regulations 3-6 of Regulation Gazette No. 6908
- (10) Not more than 10% of the total allocation to the Distribution Agency shall be allocated to conduits for further distribution of funds equitably to beneficiaries.

#### **General**

These regulations will from time to time be amended to advance the objectives of the Act or as may be necessary taking into account developmental aspects and socio-economic needs.

**NOTICE 1621 OF 2009****Department of Trade and Industry****Lotteries Act, No 57 of 1997****Application for Grant in Terms of the Lotteries Act, 1997  
(Act No. 57 of 1997)**

In terms of section 60 of the Lotteries Act, 1997 (Act No. 57 of 1997), I, Dr Rob Davies, Minister of Trade and Industry, hereby publish the regulations and the Form for application of grants in terms of Section 28(5), 29(5), 30(5) and 31(6) of the Act for public comments. These regulations will repeal the Regulation Gazette, No. 6908.

Interested persons may submit written comments on the proposed regulations by 05/02/2010 to:

Director-General, Department of Trade and Industry

Private Bag X84

Pretoria

0001

or

77 Meintjies Street

Block B, 1<sup>st</sup> Floor

Sunnyside

Pretoria

Fax No: 012 394 2504

Email: [MMosing@thedti.gov.za](mailto:MMosing@thedti.gov.za)

For Attention: Ms Mpho Mosing

**Dr Rob Davies**

**Minister of Trade and Industry**

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## **Department of Trade and Industry**

### **Lotteries Act No 57 of 1997 Regulations Relating to Allocation of Money in National Lottery Distribution Trust Fund**

The Minister of Trade and Industry, with the concurrence of the National Lotteries Board, under section 60, read with sections 26, 28, 29, 30 and 31, of the Lotteries Act, 1997 (Act No. 57 of 1997), makes these regulations.

#### **1. Definitions**

1.1 In these regulations, unless the context otherwise indicates-

“the Act” means the Lotteries Act, 1997 (Act No. 57 of 1997)

#### **2. Percentages in respect of allocation of funds (see 26 (1))**

2.1 The balance in the fund as contemplated in section 26 (3) of the Act, shall be allocated as follows:

2.1.1 For expenditure on or connected with reconstruction and development projects other programs referred to in the Reconstruction and Development Programme Fund Act, 1994 (Act No 7 of 1994), not less than ten percent;

2.1.2 for charitable expenditure, not less than ten percent;

2.1.3 for expenditure on or connected with the development of sport and recreation, not less than ten percent;

2.1.4 for expenditure on or connected with the Arts, culture and the National historical, natural, cultural and architectural heritage, not less than ten percent; and

2.1.5 for expenditure in respect of any other matter approved by the Minister for that purpose, not more than 10 percent. Notwithstanding the provision of this regulation, Regulation 2 of Government, notice 3446 of 2000 shall apply to any matter approved by the Minister for urgent funding.

#### **3. Requirements for the allocation of funds for charities (see 28)**

3.1 A juristic person applying for a grant in terms of section 28 of the Act shall:

3.1.1 be an organization or institution established for charitable, benevolent or philanthropic purposes, including friendly societies,

- welfare organizations and conduit organizations or trusts in respect of any such organization or institution;
- 3.1.2 state that its income and property are not distributable to its members, employees or managers, except as reasonable compensation for services rendered;
  - 3.1.3 indicate that changes in the composition of its membership or management will not substantially affect its continued existence;
  - 3.1.4 establish that it aims to improve quality of life of people and communities who are disadvantaged by poverty or social exclusion;
  - 3.1.5 establish that it:
    - (a) funds or intends to fund projects which enable people to become involved in activities which improve the quality of life of the community as a whole;
    - (b) funds or intends to fund projects which assist those at greatest disadvantage or excluded from the community, especially projects pertaining to elderly people, the disabled and children or;
    - (c) provides or intends to provide facilities for the underprivileged;
  - 3.1.6 indicate that the projects undertaken or to be undertaken shall be for the public good and that there is a clear demand thereof;
  - 3.1.7 indicate that the intended project produces or will produce significant improvements or new developments which would not have otherwise taken place;
  - 3.1.8 establish that the project or intended project is financially viable and capable of being implemented;
  - 3.1.9 establish that it has adequate measures and procedures for the proper application of sound economic and effective management;
  - 3.1.10 establish that proper accounting records are kept;
  - 3.1.11 furnish a written report pertaining to its financial state of affairs and activities; and
  - 3.1.12 indicate the procedure for changing its constitution in respect of its aims.

#### **4. Requirements for the allocation of funds for sport and recreation (see 29 (1))**

- 4.1 A juristic person applying for a grant in terms of section 29 of the Act shall:
  - (1) be a body established for sport or recreational purposes;
  - (2) state that its income and property are not distributable to its members, employees or managers except as reasonable compensation for services rendered;
  - (3) indicate that changes in the composition of its membership or management will not substantially affect its continued existence;

- (4) establish that it :
  - (a) funds or intends to fund projects which enable people to become involved in activities which contribute to the development of sports and recreation;
  - (b) funds or intends to fund projects which assists disadvantaged communities to become involved in sporting or recreational activities;
  - (c) provides or intends to provide sporting or recreational facilities which are accessible to communities, including children and the disabled;
- (5) indicate that the projects undertaken or to be undertaken shall be for the public good and that there is a clear demand therefore;
- (6) indicate that the project or intended project produces or will produce significant improvements or new development in sport or recreation which would not otherwise have taken place;
- (7) establish that the project or intended project is financially viable and capable of being implemented;
- (8) establish that it has adequate measures and procedures for the proper application of sound, economic, efficient and effective management;
- (9) establish that proper accounting records are kept;
- (10) furnish a written report pertaining to its financial state of affairs and activities; and
- (11) indicate the procedure for changing its constitution in respect of its aims.

**5. Requirements for the allocation of funds for arts, culture and national heritage (see 30(1))**

5.1 A juristic person applying for a grant in terms of section 30 of the Act shall:

- (1) be a body established to promote the arts, culture or the national historical, natural, cultural or architectural heritage;
- (2) states that its income and property are not distributable to its members, employees or managers, except as reasonable compensation for services rendered;
- (3) indicate the changes in the composition of its membership or management will not substantially affect its continued existence;
- (4) establish that it aims:
  - (a) to enable people throughout the Republic to enjoy a range of art activities both as audience and participants;
  - (b) to make the arts accessible to more people;
  - (c) to help remove barriers to enjoyment of the arts which may be caused by inadequate facilities in particular art forms or areas; or

- (d) to promote consciousness of, or to preserve, culture or national historical, natural or architectural heritage;
- (5) establish that it:
  - (a) funds or intended to fund projects:
    - (aa) Which address the under-provision of facilities outside the principal centres of population;
    - (bb) to improve or refurbish existing venues
    - (cc) within art forms which are inadequately provided for;
    - (dd) which extend access to the arts; or
    - (ee) which promote consciousness and aim to preserve culture or the national historical, natural, cultural or architectural heritage;
  - (b) enables people to become involved in activities which contribute to the developments of the arts, culture or the National historical, natural, cultural or architectural heritage; or
  - (c) funds or intends to fund projects which assist disadvantaged communities to become involved in the arts, culture or the 'national historical, natural or architectural heritage; or
  - (d) provides or intend to provide facilities in respect of the arts, culture or national historical, natural or architectural heritage which are accessible to communities;
  - (e) indicate that the projects undertaken or to be undertaken shall be for the public good and that there is a clear demand therefore;
  - (f) indicate that the project undertaken or to be undertaken shall safeguard and enhance the natural, cultural or architectural heritage of South Africa;
  - (g) indicate that the project or intended project will produce historical, natural, cultural or architectural heritage which would not otherwise have taken place;
  - (h) establish that the project or intended project is financially viable and capable of being implemented;
  - (i) establish that it has adequate measures and procedures for the proper application of sound, economic, efficient and effective management;
  - (j) establish that proper accounting records are kept;
  - (k) furnish a written report pertaining to its financial state of affairs and activities; and
  - (l) indicate the procedure for changing its constitution in respect of its aims.

**6. Requirements for the allocation of funds for miscellaneous purposes**

- 6.1 A juristic person applying for a grant in terms of section 31 of the Act, in respect of any matter approved by the Minister as contemplated in section 26(3)(e) of the Act, shall:
- (a) state that its income and property are not distributable to its members, employees or managers, except as reasonable compensation for services rendered
  - (b) indicate that changes in the composition of its membership or management will not substantially affect its continued existence;
  - (c) establish that it aims to improve the quality of life of people and communities who are disadvantaged by poverty or social exclusion;
  - (d) indicate that the projects undertaken or to be undertaken shall be for the public good and that there is a clear demand therefore;
  - (e) indicate that the project undertaken or to be undertaken shall promote social inclusion and encourage community involvement;
  - (f) indicate that the project or intended project produces or will produce significant improvements or new development which would not otherwise have taken place;
  - (g) establish that the project or intended project is financially viable and capable of being implemented;
  - (h) establish that it has adequate measures and procedures for the proper application of sound, economic, efficient and effective management;
  - (i) establish that proper accounting records are kept;
  - (j) furnish a written report pertaining to its financial state of affairs and activities;
  - (k) indicate the procedure for changing its constitution in respect of its aims.

**7. Application Forms for grant (see s28(5), 29(5), 30(5) and 31(6))**

- 7.1 Any application for a grant in terms of section 28(5), 29(5) and 31(6) of the Act shall be made to the distributing agency on the Form 09/1 in the Annexure.

FORM 09/1

**APPLICATION FOR A GRANT IN TERMS OF THE  
LOTTERIES ACT (ACT No. 57 OF 1997)**

**INSTRUCTIONS**

1. Please indicate (with a cross in the relevant box) if your application for a grant is in terms of:
- Charities (Section 28 of the Act)
- Sport and Recreation (Section 29 of the Act)
- Arts, Culture and National Heritage (Section 30 of the Act)
- Miscellaneous Purposes (*any purpose other than the three categories above*)(Section 31 of the Act)
2. This application form is in five parts:
- In section A: Details of the organization.
- In section B: Explanation on the funding required
- In section C: Information of organizational finances.
- In section D: Details of at least two contactable Referees.
- In section E: Mandatory documents to be submitted with the application form

**NB: If there is not enough space on this form for your answers, please use and attach further sheets of paper**

.....

**SECTION A DETAILS OF YOUR ORGANIZATION**

- A1** Name of organization: .....
- A2** Postal address: .....
- Postal code: .....
- A3** Street address: .....
- .....
- Province: .....
- A4** Telephone number: ..... **A5** Fax number: .....
- A5** E-mail address: .....
- A6** When was your organization formed? .....
- A7** What kind of registered organization are you? (E.g. Non-Profit Organization, Section 21  
Company, Public Benefit Trust): .....
- A8** When was your organization registered? .....
- A9** Registration number: ..... (Please attach a copy of your registration certificate)
- A10** Details of the main contact person with executive powers (e.g. Manager/Programme Director)
- Name: ..... Position: .....
- South African I.D. Number: ..... (Attach Certified Copy of ID)
- Address: ..... Tel: .....
- A11** Details of a second contact person (e.g. Chairperson):

Name: ..... Position: .....  
 South African I.D. Number: ..... (Attach certified copy of ID)  
 Address: ..... Tel: .....

**A12** Names and positions of the Members of the Management Committee: (Members are required to attach certified copy of ID):

1. Name: ..... Position: .....  
 I.D. Number: ..... Tel.....
2. Name: ..... Position: .....  
 I.D. Number: ..... Tel.....
3. Name: ..... Position: .....  
 I.D. Number: ..... Tel.....
4. Name: ..... Position: .....  
 I.D. Number: ..... Tel.....
5. Name: ..... Position: .....  
 I.D. Number: ..... Tel.....

**A13** Are you affiliated to any organizations? ..... If Yes, name them: .....

**A14** Are you an umbrella body? ..... If Yes, what organization are you affiliated to? .....  
 ..... (Attach a list if necessary)

**A15** Describe the main purpose of your organization: .....  
 .....  
 .....  
 .....  
 .....  
 .....  
 .....

**A16** Describe the nature of services and/or products that your organization provides AND the people who will benefit from the services and/or products:

.....  
 .....  
 .....  
 .....

**A17** In which province/s do you operate? (Tick next to the province/s that apply to you)

- |               |       |            |       |              |       |
|---------------|-------|------------|-------|--------------|-------|
| Eastern Cape  | ..... | Free State | ..... | Gauteng      | ..... |
| KwaZulu Natal | ..... | Limpopo    | ..... | Mpumalanga   | ..... |
| Northern Cape | ..... | North West | ..... | Western Cape | ..... |

**A18** Please fill in the information bellow on your staff composition

NO OF PAID STAFF		NO OF VOLUNTEERS	
No. of full-time staff	No. of part-time staff	No. of full-time volunteers	No. of part-time volunteers

**A19** Please provide current employment equity status / equity plan for your organisation

**SECTION B: THE FUNDS YOU ARE APPLYING FOR, AND HOW YOU WILL USE THEM IF GRANTED.**

**B1** Are you applying for: (Tick the relevant box?)

- A grant in support of your overall operations? OR
- Funding for specific projects? If Yes, they are:
- Already in existence?
- An expansion?
- New?

**B2** What amount of money are you requesting? .....

**B3** For what period? (E.G. 1 year, 2 years, multi year etc).....

**B4** **Please attach a detailed budget with a motivation on the utilization of grant. For capital expenditure attach supporting documents such as quotations, architectural and proof of ownership.**

**B5** Indicate which groups of people will benefit from the funding, if granted and how many? [Give numbers]

- |                                    |                                 |
|------------------------------------|---------------------------------|
| Children: .....                    | Women: .....                    |
| Children with disabilities: .....  | Adults with disabilities: ..... |
| Youths: .....                      | The elderly: .....              |
| People living with HIV/AIDS: ..... | The chronically ill: .....      |
| Drug Abusers: .....                | Criminal Offenders: .....       |
| The Unemployed: .....              | The homeless: .....             |
| Other (specify): .....             |                                 |

**B6** Indicate the specific areas where the people who will benefit from the funds reside:

.....

.....

.....

**B7** Have you benefited from the fund before? If Yes fill in the box

Project Number	Year	What grant was for and what was the amount received?	Have you submitted all the progress reports?

**B8** If you applied but were not funded, please give reasons

.....  
.....  
.....

**SECTION C: INFORMATION ON YOUR ORGANIZATION’S FINANCIAL DETAILS**

**C1** Bank details

Name in which the account is held: .....

Name of Bank: .....

Type of account: ..... Account number: .....

Branch: ..... Branch Code: .....

**C2** List 3 people **who** are authorized to sign cheques on your account/s:

Name: ..... Position in Organization: .....

Name: ..... Position in Organization: .....

Name: ..... Position in Organization: .....

**SECTION D: REFEREES**

Please give the details of three credible referees from the community in support of your application e.g. police commissioner, religious leader, local councilor, etc. (Referees must be independent and may NOT be employees, Committee members or volunteers)

1. Name: ..... Position: .....  
Tel: .....

2. Name: ..... Position: .....  
Tel: .....

3. Name:..... Position:.....  
Tel:.....

**SECTION E: MANDATORY DOCUMENTS**

**The following documents should be attached to this form as applicable**

- Organizational founding documents (this requirement is applicable to organizations that have not previously been funded by the NLDTF or if the objectives of the organization have since changed)
  - *Constitution/ Articles and Memorandum of Association/ Trust deed*
  - *Institutions established by an Act of Parliament must only cite the enabling Act*
  - *Proof of registration for non-profit organizations, section 21 companies, Public Benefit Trusts and schools registered with the Department of Education (except private schools)*
  - *(Municipalities and Tertiary Institutions are excluded from this requirement but they must cite the enabling Act).*
- Detailed project business plan
- Detailed Project Budget (specific line items with unit cost, quantities, total cost per item)
- Project motivation
- Most recent annual financial statements of the organizations:-
  - *for a year for organizations that have previously received funding from NLDTF*
  - *for two consecutive years signed and dated by a registered and independent Accounting Officer or an Auditor in the case of organizations that have not been previously funded by the NLDTF*
- Signed Auditors report or Accounting Officer
- Applications for declared heritage site development/renovations must be accompanied by approval from relevant provincial or national authority.

**DECLARATION**

I .....confirm, on behalf of: .....(Name of organization) that I am authorized to sign this declaration, and that to the best of my knowledge all answers to the questions on this form are accurate. If this application is successful, this organization will use the grant only for the purposes specified in this application, and will comply with all the terms and conditions attached to the grant. I confirm that the organization has the power to accept the grant subject to conditions and repay the grant if the grant conditions are not met.

Name: .....

South African Identity number: .....

Position in organization.....

Date: .....

Signature: .....